

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

COMPLIANCE FILING IN THE MATTER OF THE)
APPLICATION OF DELMARVA POWER & LIGHT)
COMPANY FOR APPROVAL OF QUALIFIED FUEL) PSC DOCKET NO. 12-173-04
CELL PROVIDER PROJECT TARIFF)
(FILED APRIL 2, 2012))

ORDER NO. 8136

AND NOW, this 17th day of April, 2012, the Public Service Commission (the "Commission") determines and orders the following:

WHEREAS, on July 7, 2011, the Governor of the State of Delaware signed into law certain amendments (78 Del. Laws Ch. 99) (July 7, 2001) (the "Amendments") to the Renewable Energy Portfolio Standards Act, 26 Del. C. §§351 - 364 (the "RPS") that added Delaware-manufactured fuel cells to the RPS and allowed energy output from such fuel cells to be considered a resource eligible to fulfill a portion of a Commission-regulated electric company's renewable energy credit requirements under RPS; and

WHEREAS, the Amendments were part of a comprehensive State economic development and renewable energy program in which a new form of base load generation was added in Delaware; and

WHEREAS, the Amendments created a regulatory framework whereby a Commission-regulated electric company and a Qualified Fuel Cell Provider ("QFCP")¹ will jointly submit tariffs² that enable and obligate a Commission-regulated electric company, as the agent for collection and disbursement, to collect from its customers non-

¹ A "Qualified Fuel Cell Provider" is defined within 26 Del. C. §352(16).

² The requirements for the tariffs are set forth in the Commission's prior order in this docket, PSC Order No. 8025, dated September 6, 2011. See also, 26 Del. C. §§364(b) and (d).

bypassable charges for costs incurred for incremental site preparation, filing, administrative, and other costs incurred by the QFCP, reduced by compensation for any revenues received from PJM³ or its successors at law from the output of the Qualified Fuel Cell Provider Project ("QFCPP");⁴ and

WHEREAS, in accordance with the Amendments, the Commission was directed to either approve or reject all tariff filings as proposed, without alteration or the imposition of any condition or conditions; and

WHEREAS, on August 19, 2011, Delmarva Power & Light Company ("Delmarva") filed an application in PSC Docket No. 11-362 for approval of a new electric tariff for Service Classification QFCP-RC and a new gas tariff for Service Classification LVG-QFCP-RC pursuant to the Amendments; and

WHEREAS, on October 18, 2011, the Commission issued PSC Order No. 8062, which approved Delmarva's tariff filing and ordered that the Commission would enter a formal Findings and Opinion in support of PSC Order 8062 at a later date; and

WHEREAS, on December 1, 2011 the Commission issued PSC Order No. 8079, which, among other things, adopted Order No. 8062, set forth the Commission's formal Findings and Opinion approving Delmarva's application for a new electric tariff and new gas tariff, and adopted

³ "PJM" means the regional transmission organization that coordinates the movement of wholesale electricity in the PJM region, or its successors at law. See 26 Del. C. §352(14).

⁴ Under 26 Del. C. 352(17), a "qualified fuel cell provider project" means a fuel cell power generation project located in Delaware owned and/or operated by a qualified fuel cell provider under a tariff approved by the Commission pursuant to 26 Del. C. §364(d).

the allowance adjustments made by the Secretary of the Delaware Department of Natural Resources and Environmental Control ("DNREC") to the Renewable Energy Credit ("REC")⁵ and Solar Renewable Energy Credit ("SREC");⁶ and

WHEREAS, pursuant to the Commission-approved Tariff for Service Classification QFCP-RC, Delmarva will file on a monthly basis with the Commission a copy of the computation of the Service Classification QFCP-RC Charge ("QFCP-RC Charge") with current factors and reconciliation factors at least thirty days prior to applying such QFCP-RC Charge on customers' bills. See P.S.C. Del. No. 8 - Electric, Original Leaf No. 74d, Section F; and

WHEREAS, on April 2, 2012, Delmarva submitted its first monthly filing (the "Compliance Filing") to account for the varying QFCP-RC Charge for May 2012;⁷ and

WHEREAS, the May 2012 QFCP-RC Charge, which is set forth on the attached Exhibit "B," will be effective for bills issued between April 30, 2012, and May 29, 2012, absent a determination of manifest error by the Commission; and

WHEREAS, the Commission Staff ("Staff") reviewed the Compliance Filing, the calculations supporting the May 2012 QFCP-RC Charge, and

⁵ Under 26 Del. C. §352(18), a "Renewable Energy Credit" or "REC" means a tradable instrument that is equal to 1 megawatt-hour of retail electricity sales in the State that is derived from eligible energy resources and that is used to track and verify compliance with the provisions of the RPS.

⁶ Under 26 Del. C. §352(25), a "Solar Renewable Energy Credit" or "SREC" means a tradable instrument that is equal to 1 megawatt-hour of retail electricity sales in the State that is derived from solar photovoltaic energy resources and that is used to track and verify compliance with the provisions of RPS.

⁷ The Compliance Filing contained electric tariff leafs number 1, 39 to 47, 50, 74 through 74r and gas tariff leafs 2, 37a, and 48a. See the attached Exhibit "A." On April 4 and 5, 2012, Delmarva also provided the source documents for the calculation of the May 2012 QFCP-RC Charge with each customer classification.

the source documents supporting the calculation of the May 2012 QFCP-RC Charge, and found no manifest error in the Compliance Filing or the calculations contained therein, and therefore recommends that the May 2012 QFCP-RC Charge be permitted to take effect for Delmarva customer bills issued between April 30, 2012, and May 29, 2012, subject to the requirement that Delmarva shall provide to Staff, with each future Compliance Filing under the RPS, all documents which Staff requested from Delmarva as part of the review of this Compliance Filing, including, but not limited to, Delmarva's workpapers, and subject to the requirement that Staff reserves the right to perform more detailed audits of any and all months included in the Compliance Filing or any future tariff filings made to adjust the QFCP-RC Charge;

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

1. That the Commission approves the Compliance Filing made by Delmarva Power & Light Company on April 2, 2012, including the tariff leafs attached as Exhibit "A" and the May 2012 QFCP-RC Charge attached as Exhibit "B."

2. That Delmarva Power & Light Company shall provide to Staff, with each future Compliance Filing under the Renewable Energy Portfolio Standards Act, 26 Del. C. §§351 - 364 (the "RPS"), all documents that Staff requested from Delmarva Power & Light Company as part of its review of this Compliance Filing, including, but not limited to, Delmarva's workpapers.

3. That the Commission Staff hereby reserves the right to perform a more detailed audit of any months included in Delmarva Power & Light Company's Compliance Filing made on April 2, 2012, and any and

all months included in the Compliance Filing or any future tariff filings made to adjust the QFCP-RC Charge.

4. 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:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary

E X H I B I T "A"

P.S.C. Del. No. 8 - Electric
Amended Leaf Nos. 1, 39 to 47, 50, 74 through 74r

and

P.S.C. Del. No. 5 - Gas
Amended Leaf Nos. 2, 37a, and 48a

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SERVICE CLASSIFICATIONS

“R”	Residential	53
“R-TOU”	Residential Time of Use	55
“R-TOU-ND”	Residential Time of Use Non Demand Metered	57
“R-TOU-SOP”	Residential Time of Use – Super Off-Peak	59
“SGS-ND”	Small General Service - Non Demand	60
“MGS-S”	Medium General Service - Secondary	62
“LGS-S”	Large General Service - Secondary	65
“GS-P”	General Service - Primary	68
“GS-T”	General Service - Transmission	71
“QFCP-RC”	Qualified Fuel Cell Provider-Renewable Capable Power Production	74
“OL”	Outdoor Lighting	87
“ORL”	Outdoor Recreational Lighting	90
“X”	Cogeneration and Small Power Production	91
“CEF”	Community Energy Facility	95a

RIDERS

“EP”	Electricity Purchased by the Company from Cogenerators and Small Power Producers	96
“EFT”	Energy For Tomorrow	97
“PM”	Peak Management	99
“NEM”	Net Energy Metering	102

MONTHLY CHARGES AND RATES

<u>SERVICE CLASSIFICATION</u>	<u>SUMMER</u> Billing Months <u>June Through September</u>	<u>WINTER</u> Billing Months <u>October Through May</u>
<u>RESIDENTIAL "R"</u>		
<u>Delivery Service Charges:</u>		
Customer Charge	\$8.32	\$8.32
Distribution Charge		
First 500 kWh Rate	\$0.026009/kWh	\$0.026009/kWh
Excess kWh Rate	\$0.026009/kWh	\$0.026009/kWh
Environmental Fund Rate	\$0.000356/kWh	\$0.000356/kWh
Low-Income Fund Rate	\$0.000095/kWh	\$0.000095/kWh
<u>Supply Service Charges:</u>		
Transmission Rate	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service (Refer to Rider SOS):		
Supply Capacity, Energy and Ancillary		
First 500 kWh Rate	\$0.106299/kWh	\$0.105043/kWh
Excess kWh Rate	\$0.106299/kWh	\$0.105043/kWh
Procurement Cost Adjustment	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service Phase In Credit / Deferred Cost Adjustment	Refer to Rider SOS PIC/DCA	

Total Supply Service price is the sum of Standard Offer Service, Transmission and Procurement Cost Adjustment.

Note: The above Delivery Service charges apply when the Customer has an Electric Supplier, other than the Company, as its energy provider. The above Delivery and Standard Offer Service with Transmission Service charges apply when the Customer has the Company as its energy provider. For billing format purposes, the Delivery Service and Standard Offer Service with Transmission Service charges may be separately stated. For additional applicable charges, refer to the Service Classification "QFCP-RC" Qualified Fuel Cell Project – Renewable Capable Power Production.

MONTHLY CHARGES AND RATES

<u>SERVICE CLASSIFICATION</u>	<u>SUMMER</u> <u>Billing Months</u> <u>June Through September</u>	<u>WINTER</u> <u>Billing Months</u> <u>October Through May</u>
<u>RESIDENTIAL – SPACE HEATING “R”</u>		
<u>Delivery Service Charges:</u>		
Customer Charge	\$8.32	\$8.32
Distribution Charge		
First 500 kWh Rate	\$0.020422/kWh	\$0.020422/kWh
Excess kWh Rate	\$0.020422/kWh	\$0.020422/kWh
Environmental Fund Rate	\$0.000356/kWh	\$0.000356/kWh
Low-Income Fund Rate	\$0.000095/kWh	\$0.000095/kWh
<u>Supply Service Charges:</u>		
Transmission Rate	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service (Refer to Rider SOS):		
Supply Capacity, Energy and Ancillary		
Summer First 500 kWh Rate	\$0.106052/kWh	
Summer Excess kWh Rate	\$0.106052/kWh	
Winter First 1200 kWh Rate		\$0.101000/kWh
Winter Excess kWh Rate		\$0.074904/kWh
Procurement Cost Adjustment	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service Phase In Credit / Deferred Cost Adjustment	Refer to Rider SOS PIC/DCA	

Total Supply Service price is the sum of Standard Offer Service, Transmission and Procurement Cost Adjustment.

Note: The above Delivery Service charges apply when the Customer has an Electric Supplier, other than the Company, as its energy provider. The above Delivery and Standard Offer Service with Transmission Service charges apply when the Customer has the Company as its energy provider. For billing format purposes, the Delivery Service, Transmission Service and Standard Offer Service charges may be separately stated. For additional applicable charges, refer to the Service Classification “QFCP-RC” Qualified Fuel Cell Project – Renewable Capable Power Production.

MONTHLY CHARGES AND RATES

<u>SERVICE CLASSIFICATION</u> <u>RESIDENTIAL TIME OF USE "R-TOU"</u>	<u>MONTHLY CHARGES AND RATES</u>	
	<u>SUMMER</u> Billing Months	<u>WINTER</u> Billing Months
	<u>June Through September</u>	<u>October Through May</u>
<u>Delivery Service Charges:</u>		
Customer Charge	\$12.80	\$12.80
Distribution Charge		
Demand Rate	\$4.427410/kW	\$4.426644/kW
On-Peak Rate	\$0.003595/kWh	\$0.003595/kWh
Off-Peak Rate	\$0.003595/kWh	\$0.003595/kWh
Environmental Fund Rate	\$0.000356/kWh	\$0.000356/kWh
Low-Income Fund Rate	\$0.000095/kWh	\$0.000095/kWh
<u>Supply Service Charges:</u>		
Transmission Rate	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service (Refer to Rider SOS):		
Supply Capacity, Energy, and Ancillary		
Demand Rate	\$6.143321/kW	\$5.777230/kW
On-Peak Rate	\$0.098075/kWh	\$0.080029/kWh
Off-Peak Rate	\$0.073597/kWh	\$0.060035/kWh
Procurement Cost Adjustment	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service Phase In Credit / Deferred Cost Adjustment	Refer to Rider SOSPIC/DCA	

RESIDENTIAL TIME OF USE NON-DEMAND "R-TOU-ND"

<u>Delivery Service Charges:</u>		
Customer Charge	\$12.80	\$12.80
Distribution Charge		
On-Peak Rate	\$0.044678/kWh	\$0.044678/kWh
Off-Peak Rate	\$0.004891/kWh	\$0.004891/kWh
Environmental Fund Rate	\$0.000356/kWh	\$0.000356/kWh
Low-Income Fund Rate	\$0.000095/kWh	\$0.000095/kWh
<u>Supply Service Charges:</u>		
Transmission Rate	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service(Refer to Rider SOS):		
Supply Capacity, Energy and Ancillary		
On-Peak Rate	\$0.186061/kWh	\$0.171211/kWh
Off-Peak Rate	\$0.065871/kWh	\$0.070322/kWh
Procurement Cost Adjustment	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service Phase In Credit / Deferred Cost Adjustment	Refer to Rider SOS PIC/DCA	

Total Supply Service price is the sum of Standard Offer Service, Transmission and Procurement Cost Adjustment.

Note: The above Delivery Service charges apply when the Customer has an Electric Supplier, other than the Company, as its energy provider. The above Delivery and Standard Offer Service with Transmission Service charges apply when the Customer has the Company as its energy provider. For billing format purposes, the Delivery Service, Transmission Service and Standard Offer Service charges may be separately stated. For additional applicable charges, refer to the Service Classification "QFCP-RC" Qualified Fuel Cell Project – Renewable Capable Power Production.

MONTHLY CHARGES AND RATES

<u>SERVICE CLASSIFICATION</u>	SUMMER Billing Months <u>June Through September</u>	WINTER Billing Months <u>October Through May</u>
<u>RESIDENTIAL TIME OF USE SUPER OFF-PEAK "R-TOU-SOP"</u>		
<u>Delivery Service Charges:</u>		
Customer Charge	\$11.32	\$11.32
Distribution Charge		
On-Peak Rate	\$0.020947/kWh	\$0.017812/kWh
Off-Peak Rate	\$0.020947/kWh	\$0.017812/kWh
Super Off-Peak Rate Eff 10/1/03	\$0.004888/kWh	\$0.004888/kWh
Environmental Fund Rate	\$0.000356/kWh	\$0.000356/kWh
Low-Income Fund Rate	\$0.000095/kWh	\$0.000095/kWh
<u>Supply Service Charges:</u>		
Transmission Rate	Refer to Rider SOS	Refer to Rider SOS
On-Peak Rate		
Off-Peak Rate		
Super Off-Peak Rate		
Standard Offer Service (Refer to Rider SOS):		
Supply Capacity, Energy and Ancillary		
On-Peak Rate	\$0.193417/kWh	\$0.195161/kWh
Off-Peak Rate	\$0.065027/kWh	\$0.076867/kWh
Super Off-Peak Rate	\$0.047502/kWh	\$0.055899/kWh
Procurement Cost Adjustment	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service Phase In Credit / Deferred Cost Adjustment	Refer to Rider SOS PIC/DCA	

Total Supply Service price is the sum of Standard Offer Service, Transmission and Procurement Cost Adjustment.

Note: The above Delivery Service charges apply when the Customer has an Electric Supplier, other than the Company, as its energy provider. The above Delivery and Standard Offer Service with Transmission Service charges apply when the Customer has the Company as its energy provider. For billing format purposes, the Delivery Service, Transmission Service and Standard Offer Service charges may be separately stated. For additional applicable charges, refer to the Service Classification "QFCP-RC" Qualified Fuel Cell Project – Renewable Capable Power Production.

MONTHLY CHARGES AND RATES

<u>SERVICE CLASSIFICATION</u>	<u>MONTHLY CHARGES AND RATES</u>	
	<u>SUMMER</u>	<u>WINTER</u>
	<u>Billing Months</u>	<u>Billing Months</u>
	<u>June Through September</u>	<u>October Through May</u>
<u>SMALL GENERAL SERVICE – SECONDARY NON-DEMAND “SGS-ND”</u>		
<u>Delivery Service Charges:</u>		
Customer Charge	\$9.45	\$9.45
Distribution Charge	\$0.039605/kWh	\$0.039605/kWh
Environmental Fund Rate	\$0.000356/kWh	\$0.000356/kWh
Low-Income Fund Rate	\$0.000095/kWh	\$0.000095/kWh
<u>Supply Service Charges:</u>		
Transmission Rate	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service (Refer to Rider SOS):		
Supply Capacity, Energy and Ancillary	\$0.103159/kWh	\$0.093775/kWh
Procurement Cost Adjustment	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service Phase In Credit / Deferred Cost Adjustment	Refer to Rider SOSPIC/DCA	

SEPARATELY METERED SPACE HEATING SECONDARY SERVICE “SGS-ND” and “MGS-S”

<u>Delivery Service Charges:</u>	<u>Closed to new Customers</u>	<u>Closed to new Customers</u>
Minimum Charge	\$5.56	\$5.56
Distribution Charge	\$0.016623/kWh	\$0.016623/kWh
Environmental Fund Rate	\$0.000356/kWh	\$0.000356/kWh
Low-Income Fund Rate	\$0.000095/kWh	\$0.000095/kWh
<u>Supply Service Charges:</u>		
Transmission Rate	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service(Refer to Rider SOS):		
Supply Capacity, Energy and Ancillary	\$0.096622/kWh	\$0.087251/kWh
Procurement Cost Adjustment	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service Phase In Credit / Deferred Cost Adjustment	Refer to Rider SOSPIC/DCA	

SEPARATELY METERED WATER HEATING SECONDARY SERVICE “SGS-ND” and “MGS-S”

<u>Delivery Service Charges:</u>	<u>Closed to new Customers</u>	<u>Closed to new Customers</u>
Minimum Charge	\$5.56	\$5.56
Distribution Charge	\$0.016645/kWh	\$0.016645/kWh
Environmental Fund Rate	\$0.000356/kWh	\$0.000356/kWh
Low-Income Fund Rate	\$0.000095/kWh	\$0.000095/kWh
<u>Supply Service Charges:</u>		
Transmission Rate	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service(Refer to Rider SOS):		
Supply Capacity, Energy and Ancillary	\$0.098017/kWh	\$0.085701/kWh
Procurement Cost Adjustment	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service Phase In Credit / Deferred Cost Adjustment	Refer to Rider SOSPIC/DCA	

Total Supply Service price is the sum of Standard Offer Service, Transmission and Procurement Cost Adjustment.

Note: The above Delivery Service charges apply when the Customer has an Electric Supplier, other than the Company, as its energy provider. The above Delivery and Standard Offer Service with Transmission Service charges apply when the Customer has the Company as its energy provider. For billing format purposes, the Delivery Service, Transmission Service and Standard Offer Service charges may be separately stated. For additional applicable charges, refer to the Service Classification “QFCP-RC” Qualified Fuel Cell Project – Renewable Capable Power Production.

MONTHLY CHARGES AND RATES

<u>SERVICE CLASSIFICATION</u>	<u>SUMMER</u> Billing Months <u>June Through September</u>	<u>WINTER</u> Billing Months <u>October Through May</u>
<u>MEDIUM GENERAL SERVICE – SECONDARY “MGS-S”</u>		
<u>Delivery Service Charges:</u>		
Customer Charge	\$28.74	\$28.74
Distribution Charge		
Demand Rate	\$4.130532/kW	\$4.130532/kW
Energy Rate	\$0.002975/kWh	\$0.002975/kWh
Environmental Fund Rate	\$0.000356/kWh	\$0.000356/kWh
Low-Income Fund Rate	\$0.000095/kWh	\$0.000095/kWh
<u>Supply Service Charges:</u>		
Transmission Service Charge	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service (Refer to Rider SOS):		
Supply Capacity, Energy and Ancillary		
Demand Rate	\$12.148928/kW	\$7.555136/kW
Energy Rate	\$0.040167/kWh	\$0.048993/kWh
Procurement Cost Adjustment	Refer to Rider SOS	Refer to Rider SOS
<u>OFF-PEAK SERVICE – SECONDARY “MGS-S”</u>		
Same Charges and Rates as MGS-S		
Plus an Additional Charge	\$8.99	\$8.99
<u>OUTDOOR RECREATIONAL LIGHTING SERVICE - SECONDARY “ORL”</u>		
<u>Delivery Service Charges:</u>		
Customer Charge	\$9.45	\$9.45
Distribution Charge	\$0.027103/kWh	\$0.027103/kWh
Environmental Fund Rate	\$0.000356/kWh	\$0.000356/kWh
Low-Income Fund Rate	\$0.000095/kWh	\$0.000095/kWh
<u>Supply Service Charges:</u>		
Transmission Rate	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service(Refer to Rider SOS):		
Supply Capacity, Energy and Ancillary	\$0.106004/kWh	\$0.100052/kWh
Procurement Cost Adjustment	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service Phase In Credit /		
Deferred Cost Adjustment	Refer to Rider SOSPIC/DCA	

Total Supply Service price is the sum of Standard Offer Service, Transmission and Procurement Cost Adjustment.

Note: The above Delivery Service charges apply when the Customer has an Electric Supplier, other than the Company, as its energy provider. The above Delivery and Standard Offer Service with Transmission Service charges apply when the Customer has the Company as its energy provider. For billing format purposes, the Delivery Service, Transmission Service and Standard Offer Service charges may be separately stated. In addition to the charges and rates stated above, the Delaware State Public Utilities Tax of 4.25% shall apply to all applicable services, rendered hereunder, unless pursuant to Title 30 Chapter 55 the Customer is eligible for a different tax rate or is exempt from such tax. For additional applicable charges, refer to the Service Classification “QFCP-RC” Qualified Fuel Cell Project – Renewable Capable Power Production.

MONTHLY CHARGES AND RATES

<u>SERVICE CLASSIFICATION</u>	<u>SUMMER</u> <u>Billing Months</u> <u>June Through September</u>	<u>WINTER</u> <u>Billing Months</u> <u>October Through May</u>
<u>LARGE GENERAL SERVICE – SECONDARY “LGS-S”</u>		
<u>Delivery Service Charges:</u>		
Customer Charge	\$180.43	\$180.43
Distribution Charge		
Demand Rate	\$3.669526/kW	\$3.669526/kW
On-Peak Rate	\$0.000000/kWh	\$0.000000/kWh
Off-Peak Rate	\$0.000000/kWh	\$0.000000/kWh
Power Factor Charge or Credit	\$0.030000/kW	\$0.030000/kW
Environmental Fund Rate	\$0.000356/kWh	\$0.000356/kWh
Low-Income Fund Rate	\$0.000095/kWh	\$0.000095/kWh
RARM (eligible HPS Customers Only)		
Capacity PLC < 600 KW	\$150 per month plus \$0.219319 per kW of Capacity PLC	
Capacity PLC >= 600 KW	\$2,213.73 per month	
<u>Supply Service Charges:</u>		
Transmission Demand Rate	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service (Refer to Rider SOS):		
Supply Capacity, Energy and Ancillary		
Demand Rate	\$12.799692/kW	\$9.045946/kW
On-Peak Rate	\$0.047148/kWh	\$0.056179/kWh
Off-Peak Rate	\$0.032614/kWh	\$0.038915/kWh
Procurement Cost Adjustment	Refer to Rider SOS	Refer to Rider SOS
Or		
Hourly Priced Service:	Refer to Rider HPS	Refer to Rider HPS

Total Supply Service price is the sum of Standard Offer Service, Transmission and Procurement Cost Adjustment. For Customers required to be served under HPS, refer to Rider HPS.

Note: The above Delivery Service charges apply when the Customer has an Electric Supplier, other than the Company, as its energy provider. The above Delivery and Standard Offer Service with Transmission Service charges apply when the Customer has the Company as its energy provider. For billing format purposes, the Delivery Service, Transmission Service and Standard Offer Service charges may be separately stated. In addition to the charges and rates stated above, the Delaware State Public Utilities Tax of 4.25% shall apply to all applicable services, rendered hereunder, unless pursuant to Title 30 Chapter 55 the Customer is eligible for a different tax rate or is exempt from such tax. For additional applicable charges, refer to the Service Classification “QFCP-RC” Qualified Fuel Cell Project – Renewable Capable Power Production.

MONTHLY CHARGES AND RATES

<u>SERVICE CLASSIFICATION</u>	SUMMER Billing Months <u>June Through September</u>	WINTER Billing Months <u>October Through May</u>
<u>GENERAL SERVICE - PRIMARY "GS-P"</u>		
<u>Delivery Service Charges:</u>		
Customer Charge	\$266.12	\$266.12
Distribution Charge		
Demand Rate	\$2.967043/kW	\$2.967043/kW
Power Factor Charge or Credit	\$0.030000/kW	\$0.030000/kW
Environmental Fund Rate	\$0.000356/kWh	\$0.000356/kWh
Low-Income Fund Rate	\$0.000095/kWh	\$0.000095/kWh
RARM (eligible HPS Customers Only)		
Capacity PLC < 600 kW	\$150 per month plus \$0.219319 per kW of Capacity PLC	
Capacity PLC >= 600 kW	\$2,213.73 per month	
<u>Supply Service Charges:</u>		
Transmission Demand Rate	Refer to Rider SOS	Refer to Rider SOS
Standard Offer Service (Refer to Rider SOS):		
Supply Capacity, Energy and Ancillary		
Demand Rate	\$12.225585/kW	\$8.216082/kW
On-Peak Rate	\$0.044742/kWh	\$0.050168kWh
Off-Peak Rate	\$0.034496/kWh	\$0.038809/kWh
Procurement Cost Adjustment	Refer to Rider SOS	Refer to Rider SOS
Or		
Hourly Priced Service:	Refer to Rider HPS	Refer to Rider HPS

Total Supply Service price is the sum of Standard Offer Service, Transmission and Procurement Cost Adjustment. For Customers electing or required to be served under HPS, refer to Rider HPS.

Note: The above Delivery Service charges apply when the Customer has an Electric Supplier, other than the Company, as its energy provider. The above Delivery and Standard Offer Service with Transmission Service charges apply when the Customer has the Company as its energy provider. For billing format purposes, the Delivery Service, Transmission Service and Standard Offer Service charges may be separately stated. In addition to the charges and rates stated above, the Delaware State Public Utilities Tax of 4.25% shall apply to all applicable services, rendered hereunder, unless pursuant to Title 30 Chapter 55 the Customer is eligible for a different tax rate or is exempt from such tax. For additional applicable charges, refer to the Service Classification "QFCP-RC" Qualified Fuel Cell Project – Renewable Capable Power Production.

MONTHLY CHARGES AND RATES

<u>SERVICE CLASSIFICATION</u>	SUMMER	WINTER
	Billing Months <u>June Through September</u>	Billing Months <u>October Through May</u>
<u>GENERAL SERVICE – TRANSMISSION “GS-T”</u>		
<u>Delivery Service Charges:</u>		
Customer Charge	\$2,773.57	\$2,773.57
Distribution Demand Charge		
Demand Rate	\$0.103596/kW	\$0.103596/kW
Power Factor Charge or Credit	\$0.030000/kW	\$0.030000/kW
Environmental Fund Rate	\$0.000356/kWh	\$0.000356/kWh
Low-Income Fund Rate	\$0.000095/kWh	\$0.000095/kWh
RARM		
Capacity PLC < 600 kW	\$400 per month plus \$0.219319 per kW of Capacity PLC	
Capacity PLC >= 600 kW	\$2,463.73 per month	
<u>Supply Service Charges:</u>		
Hourly Priced Service	Refer to Rider HPS	Refer to Rider HPS

Note: The above Delivery Service charges apply when the Customer has an Electric Supplier, other than the Company, as its energy provider. The above Delivery and Supply Service Charges apply when the Customer has the Company as its energy provider. For billing format purposes, the Delivery Service, Transmission Service and Standard Offer Service charges may be separately stated. In addition to the charges and rates stated above, the Delaware State Public Utilities Tax of 4.25% shall apply to all applicable services, rendered hereunder, unless pursuant to Title 30 Chapter 55 the Customer is eligible for a different tax rate or is exempt from such tax. For additional applicable charges, refer to the Service Classification “QFCP-RC” Qualified Fuel Cell Project – Renewable Capable Power Production.

MONTHLY CHARGES AND RATES

SERVICE CLASSIFICATION

OUTDOOR LIGHTING RATE - "OL" - SERVICE CLASSIFICATION

Unless otherwise stated on this tariff leaf, all rates below shall be applied to the total kWh Usage for the billing month.

<u>SERVICE CLASSIFICATION</u>	Billing Months January through December
<u>Outdoor Lighting</u>	
<u>Delivery Service Charges:</u>	
Distribution Charge	Refer to Leaf No. 51
Environmental Fund Rate	\$0.000356/kWh
Low-Income Fund Rate	\$0.000095/kWh
<u>Supply Service Charges:</u>	
Transmission Rate	Refer to Rider SOS
Standard Offer Service (Refer to Rider SOS):	
Supply, Capacity, Energy & Ancillary	\$0.067130/kWh
Procurement Cost Adjustment	Refer to Rider SOS
Standard Offer Service Phase In Credit /	Refer to Rider SOSPIC/DCA
Deferred Cost Adjustment	
<u>Traffic and Pedestrian Signals</u>	
<u>Delivery Service Charges:</u>	
Distribution Charge	Refer to Leaf No. 51
Environmental Fund Rate	\$0.000356/kWh
Low-Income Fund Rate	\$0.000095/kWh
<u>Supply Service Charges:</u>	
Transmission Rate	Refer to Rider SOS
Standard Offer Service (Refer to Rider SOS):	
Supply, Capacity, Energy & Ancillary	\$0.067130/kWh
Procurement Cost Adjustment	Refer to Rider SOS
Standard Offer Service Phase In Credit /	Refer to Rider SOSPIC/DCA
Deferred Cost Adjustment	

Total Supply Service price is the sum of Standard Offer Service, Transmission and Procurement Cost Adjustment.

Note: The above Delivery Service charges apply when the Customer has an Electric Supplier, other than the Company, as its energy provider. The above Delivery and Standard Offer Service with Transmission Service charges apply when the Customer has the Company as its energy provider. For billing format purposes, the Delivery Service, Transmission Service and Standard Offer Service charges may be separately stated.

In addition to the charges and rates stated above, the Delaware State Public Utilities Tax of 4.25% shall apply to all applicable services, rendered hereunder, unless pursuant to Title 30 Chapter 55 the Customer is eligible for a different tax rate or is exempt from such tax. For additional applicable charges, refer to the Service Classification "QFCP-RC" Qualified Fuel Cell Project – Renewable Capable Power Production.

SERVICE CLASSIFICATION "QFCP-RC"

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION

A. Availability

This Service Classification, in compliance with the Delaware Fuel Cell Amendments is available throughout the territory served by the Company in the State of Delaware and is applicable to Qualified Fuel Cell Provider Projects in which the Company participates with a QFCP Generator. In order for a QFCP Generator to be eligible to provide service pursuant to this Service Classification QFCP-RC, the QFCP Generator (1) prior to commencing service, must cause the Qualified Fuel Cell Provider, whose Energy Servers are to be used by the QFCP Generator, to be designated by an agency of the State of Delaware as an "economic development opportunity" within the meaning of the Delaware Fuel Cell Amendments; (2) must receive gas delivery service under Company's Service Classification LVG-QFCP-RC; and (3) must otherwise meet the requirements of this Service Classification QFCP-RC. Service under this Service Classification QFCP-RC is limited to a Facility nominal nameplate rating of no more than 30 MWs, not to exceed 691.2 Megawatt Hours per day averaged on an annual calendar year basis. The Service Classification QFCP-RC Charge included in this Service Classification is applicable to customers receiving service under Electric Service Classifications "R", "R-TOU", "R-TOU-ND", "R-TOU-SOP", "SGS-ND", "MGS-S", "LGS", "GS-P", "GS-T", "ORL", "OL-PL" and "OL-SL." A QFCP Generator seeking service under this Service Classification "QFCP-RC" shall submit to the Company a Service Application.

Service Classification "QFCP-RC" may not be modified, amended, or repealed without the agreement of both the QFCP Generator and the Company.

B. Commencement of Service

Service under this Service Classification shall commence on the Initial Delivery Date and extend through the Services Term. The Initial Delivery Date under this Service Classification shall occur upon the satisfaction of each of the following conditions precedent but no later than the Guaranteed Initial Delivery Date:

(1) The Facility Commercial Operation Date shall have occurred or will occur simultaneously with the Initial Delivery Date;

(2) QFCP Generator or one of its Affiliates shall have obtained (and demonstrated possession of) all Permits required for the lawful operation of the Facility and for QFCP Generator to perform its obligations under this Service Classification, including Permits related to environmental matters; QFCP Generator shall be a PJM Member and shall have entered into all required PJM Agreements required for the performance of QFCP Generator's obligations in connection with the Facility and this Service Classification, including an interconnection agreement, which agreements shall be in full force and effect or QFCP Generator shall have entered into an agreement with a Market Participant that will perform some or all of QFCP Generator's PJM-related obligations in connection with the Facility and this Service Classification;

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

B. Commencement of Service – (Continued)

(3) QFCP Generator shall have entered into all agreements and made all filings and other arrangements necessary for the transmission and delivery of the Energy from the Facility to the Delivery Point;

(4) QFCP Generator shall have obtained all necessary authorizations from FERC to sell Energy at market-based rates as contemplated by this Service Classification and shall be in compliance with such authorization;

(5) QFCP Generator shall have provided the Company with written evidence that all of the preceding conditions have been satisfied, and

(6) PSC approval of this Service Classification shall have occurred and shall have become final and non-appealable and the Delaware Fuel Cell Amendments shall be in full force and effect.

C. Sales of Energy, Capacity, Other Available Product

(1) Energy Sales. QFCP Generator shall be solely responsible for arranging, scheduling with PJM and other Transmitting Utilities, and delivering, marketing and selling Energy from the Facility. The Company shall not purchase, for either itself or its customers, any Energy from the Facility. QFCP Generator shall be solely responsible for any and all costs and charges incurred in connection therewith, whether imposed pursuant to standards or provisions established by FERC, any other Governmental Authority or any Transmitting Utility, including transmission costs, scheduling costs, imbalance costs, congestion costs, operating reserve charges (day-ahead and balancing) and the cost of firm transmission rights, if such firm transmission rights are procured by QFCP Generator. QFCP Generator will sell 100% of the output produced from the Facility in the PJM real time market at the Delivery Point.

(2) Capacity Sales. QFCP Generator or its Market Participant will actively participate in all PJM RPM Base Residual and Incremental capacity auctions (if incremental participation is necessary to maximize capacity revenue) and must bid the maximum allowable capacity under PJM RPM rules at the lowest price permitted under applicable law and regulations. In the event that PJM rules or market procedures change or that reasonable opportunities arise to realize greater capacity revenue, the QFCP Generator and the Company will exercise good faith efforts to agree to a proposed joint amendment to this Service Classification designed to increase PJM-derived capacity revenues in an effort to reduce overall costs to customers while maintaining the overall economic benefits to QFCP Generator. The Company shall not purchase, for either itself or its customers, any capacity from the Facility.

(3) QFCP Generator shall exercise good faith efforts to maximize Market Revenues consistent with C (1)-C (2) above.

QUALIFIED FUEL CELL PROVIDER PROJECT—RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

C. Sales of Energy, Capacity, Other Available Product (Continued)

(4) During the Service Term, Service Classification LVG-QFCP-RC for firm natural gas service shall be available to QFCP Generator.

(5) Maintenance of Average Efficiency with Target Heat Rate - The Actual Heat Rate of the Facility shall be calculated on a monthly basis with the initial calculation made following the first month of operation after the Initial Delivery Date. Subject to the following sentences in this section, in the event the quantity of natural gas utilized by QFCP Generator in the Facility is less than the quantity of natural gas that would have been utilized at the Target Heat Rate in a single month, QFCP Generator shall be permitted to “bank” in a tracking account the avoided MMBtus associated with the difference between (1) the quantity of natural gas at the Target Heat Rate and (2) the quantity of natural gas at the Actual Heat Rate. Any such “banked” MMBtus must be removed from the tracking account for use by QFCP Generator in one or more future periods in which the quantity of natural gas utilized by QFCP Generator exceeds the quantity of natural gas that would have been utilized at the Target Heat Rate. The gas cost, during a month in which “banked” volumes that fully cover the excess gas used above Target Heat Rate level are removed will be based on the actual volume of natural gas used by the Facility. During any month in which the quantity of natural gas utilized by QFCP Generator in the Facility exceeds the natural gas that would have been utilized at the Target Heat Rate, and amounts in the tracking account are insufficient to cover such excess quantity, QFCP Generator shall adjust the monthly invoice in an amount equal to such excess quantity times that month’s average daily index price. On or before the tenth (10th) Business Day following the end of each period during the Services Term, QFCP Generator shall provide Company with the Actual Heat Rate calculated for the applicable period compared to the Target Heat Rate, as well as the applicable tracking account calculations, amounts of MMBtus to be removed from the tracking account and credited against the applicable future period, along with any supporting documentation reasonably required for Company to independently confirm QFCP Generator’s Actual Heat Rate calculation and Target Heat Rate comparison and tracking account values.

(6) The QFCP Generator shall be responsible for the Site Preparation Cost up to the Site Preparation Cost Cap of \$17.2 million. Any amounts incurred for Site Preparation Cost above the Site Preparation Cost Cap, including but not limited to costs that may be incurred to relocate Energy Servers after the Initial Delivery Date through the Services Term as mutually agreed upon by the Company and the QFCP Generator, will be collected through the Service Classification QFCP-RC Charge under this Service Classification. QFCP Generator shall exercise reasonable care not to unnecessarily exceed the Site Preparation Cost Cap. The Company shall periodically review the Site Preparation Costs to be incurred by the QFCP Generator as the site preparation progresses and shall otherwise reasonably work with QFCP Generator in an effort to avoid unnecessarily exceeding the Site Preparation Cost Cap.”

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

D. Recovery of Rates and Other Costs Associated with the Provision of Service Under Service Classification "QFCP-RC"

The Company, acting in its role as the agent for collection of amounts due QFCP Generator and disbursement of such amounts to QFCP Generator, shall collect amounts based on Disbursements and all Costs through the Service Classification QFCP-RC Charge, as specified in Section G of this Service Classification. Differences between actual and estimated revenues, Disbursements to the QFCP Generator, Costs arising out of the Qualified Fuel Cell Project, plus costs occurring under previously approved rates under the cost recovery provisions of Service Classification "QFCP-RC" shall be added or subtracted as appropriate to the estimated costs in a subsequent month's Service Classification QFCP-RC Charge.

Recovery of Disbursements to the QFCP Generator and all Costs associated with the Qualified Fuel Cell Provider Project shall be computed monthly for application in the billing month closest to, but no less than ninety (90) days prior to, the Disbursements to the QFCP Generator. It shall consist of a factor designed to reflect Disbursements to the QFCP Generator, Costs, plus a factor designed to reconcile prior period Service Classification "QFCP-RC" recovery imbalance adjustments including a factor to account for uncollectable balances. Costs associated with the Qualified Fuel Cell Provider Project include, but are not limited to:

- Costs associated with the Company's administration of the Qualified Fuel Cell Provider Project;
- Costs of the Company associated with any required improvements to the customer billing and/or customer information systems required in implementing the Qualified Fuel Cell Provider Project;
- Costs of the Company associated with forecasting revenue or expense items, fuel consumption, energy output and generation associated with the Qualified Fuel Cell Provider Project; and
- Any amounts incurred for Site Preparation Cost by the Company above the Site Preparation Cost Cap, including but not limited to Costs that may be incurred to relocate Energy Servers after the Initial Delivery Date through the Services Term as mutually agreed upon by the Company and the QFCP Generator.

The Company shall recover all Costs associated with the Qualified Fuel Cell Provider Project, unless, after Commission review, any such Costs are determined by the Commission to have been incurred in bad faith, are the product of waste or out of an abuse of discretion, or in violation of law.

The Service Classification QFCP-RC Charge shall be applied to monthly bills beginning with the billing month of May 2012.

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

E. Calculation of the Service Classification QFCP-RC Charge

- (1) The Service Classification QFCP-RC Charge shall be computed by dividing the estimated Disbursements to the QFCP Generator and Costs associated with the Qualified Fuel Cell Provider Project, plus or minus any applicable true up amount from previous months, by the forecast kWh sales applicable to the Service Classification for the billing month closest to, but no less than ninety (90) days prior to, the Disbursements to the QFCP Generator.
- (2) Formulaically:

$$\text{Service Classification QFCP-RC Charge} = \frac{((A + B) \pm C)}{D}$$

Where:

Service Classification QFCP-RC Charge = the Service Classification QFCP-RC Charge for the class in \$ per kWh

A = Estimated Disbursements to the QFCP Generator under Service Classification QFCP-RC in \$

B = Costs associated with the Qualified Fuel Cell Provider Project in \$

C = Cumulative true up for over/under-collections, including a carrying charge at the Company's then current cost of short-term debt, from the class in previous months in \$ and including a factor to account for uncollectable balances.

D = Class Forecasted kWh sales for the billing month closest to, but no less than ninety (90) days prior to, the Disbursements to the QFCP Generator.

F. Monthly Filing

The Company shall file monthly with the Commission a copy of the computation of the Service Classification QFCP-RC Charge with current factors and/or reconciliation factors at least thirty (30) days prior to application on customers' bills. The Company shall furnish Commission Staff sufficient workpapers for the review and audit of the Service Classification QFCP-RC Charge as needed. The Service Classification QFCP-RC Charge shall become effective thirty (30) days after filing, absent a determination of manifest error by the Public Service Commission.

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

G. Service Classification QFCP-RC Charge

The following table provides the component rates of the Service Classification QFCP-RC Charge for each Service Classification based on the cost categories listed above in \$ per kWh.

<u>Service Classification</u>	<u>Charge</u>
Residential	Refer to Website – see link below
Residential- Space Heating	Refer to Website – see link below
Residential Time-of-Use “R-TOU”	Refer to Website – see link below
Residential Time-of-Use NON-Demand “R-TOU-ND”	Refer to Website – see link below
Small General Service - Secondary Non-Demand “SGS-ND”	Refer to Website – see link below
Space Heating Secondary Service “SGS-ND” and “MGS-S”	Refer to Website – see link below
Water Heating Secondary Service “SGS-ND” and “MGS-D”	Refer to Website – see link below
Outdoor Recreational Lighting Svc – Secondary “ORL”	Refer to Website – see link below
Medium General Service – Secondary “MGS-S”	Refer to Website – see link below
Large General Service – Secondary “LGS-S”	Refer to Website – see link below
General Service – Primary “GS-P”	Refer to Website – see link below
General Service – Transmission “GS-T”	Refer to Website – see link below
OL – Private Lighting	Refer to Website – see link below
OL – Street Lighting	Refer to Website – see link below

Website Link: <http://www.delmarva.com/home/choice/de/tariffs/>

H. Public Utilities Tax

In addition to the charges provided for in this Service Classification, the Delaware State Public Utilities Tax shall apply to all services, including any applicable electric supply services, rendered hereunder, unless the QFCP Generator or customer to which the Service Classification QFCP-RC Charge applies is exempt from such tax.

I. Billing and Disbursement

(1) Disbursements to QFCP Generator. The Company shall make disbursements to the QFCP Generator in accordance with this Service Classification based on the Disbursement Rate, which amount shall be adjusted as set forth herein. In addition the Company shall make disbursements to the QFCP Generator for the QFCP Generator’s Fuel Cost (payments under Service Classification LVG-QFCP-RC) and the incremental Site Preparation Cost above the Site Preparation Cost Cap incurred by QFCP Generator, less the proceeds from the sale of any Products by the QFCP Generator. The Company shall not be obligated to make any other disbursements or payments to QFCP Generator. The Company shall have no liability with respect to the disbursements to the QFCP Generator, except to disburse to the QFCP Generator such amounts as Company has collected through this Service Classification.

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

I. Billing and Disbursement (Continued)

(2) Billing. Unless otherwise agreed to by the QFCP Generator and the Company, on or before the fifteenth (15th) day of each month (or the first Business Day thereafter), QFCP Generator shall deliver to the Company, via electronic transmission or other means agreed to by the Company, an invoice ("Invoice") for the immediately preceding month that sets forth: (a) the disbursements to the QFCP Generator based on the Disbursement Rate, (b) less the proceeds from sale of any Products by the QFCP Generator (net of any negative disbursements from Energy sales) (c) plus the QFCP's Fuel Cost pursuant to gas delivery service under Company's Service Classification LVG-QFCP-FC, and (d) any other credits, charges, liabilities and reductions in disbursement, including any reduction in disbursement for gas usage above the Target Heat Rate as set forth in C. (5) above, and any adjustments and outstanding amounts due pursuant to prior Invoices. The Company shall disburse to QFCP Generator or QFCP Generator shall disburse to the Company, as the case may be, the total amount due pursuant to such Invoice no later than the final business day of the month during which such Invoice is issued (such day, the "Monthly Settlement Date").

(3) Disbursement. All disbursements shall be made by "Electronic Funds Transfer" (EFT) via "Automated Clearing House" (ACH), to a bank designated in writing by the Company or QFCP Generator to which disbursement is owed, by 11:59:59 pm EPT on the Monthly Settlement Date. Disbursement pursuant to an Invoice shall not be deemed an admission or waiver with respect to any matter related to such Invoice or the charges reflected therein.

(4) Interest. Interest on delinquent amounts (including amounts determined to be owed as a result of the resolution of a billing dispute) shall be calculated at the Interest Rate: (a) from the original due date (or, for amounts not properly invoiced, the date that would have been the due date if such amounts were properly invoiced) to the date of disbursement; or (b) in the case of reimbursement obligations, from the date an over disbursement was received until the date of reimbursement.

(5) Set-Off. Each of the Company and QFCP Generator shall have the right to set-off any undisputed amounts owed by the other against any undisputed amounts that it owes to such Party.

(6) Auditing PJM Energy and Capacity Sales. On or before the tenth (10th) Business Day following the end of each period during the Services Term, QFCP Generator shall provide Company with a monthly report documenting PJM revenues. The report shall include MWHs produced by day, daily PJM real time price at the Delivery Point, total daily and monthly energy revenues, monthly capacity revenues, monthly ancillary services revenues by revenue type, other monthly PJM revenues, and any other information reasonably requested by the Company. The QFCP Generator shall provide to the Commission and the Company (a) a monthly report setting forth the Market Revenues received in the prior month; and (b) an annual report documenting its good faith efforts to maximize Market Revenues. The QFCP Generator shall cooperate in good faith with any inquiry or direction of the Commission or the Company with respect to possible means of increasing Market Revenues on commercially reasonable terms.

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

I. Billing and Disbursement (Continued)

(7) **Billing Disputes.** The QFCP Generator or the Company may, in good faith, dispute any amount charged or disbursed pursuant to an Invoice within twelve (12) months of the date of such Invoice by providing a written statement setting forth the basis of such dispute. Each Party shall remain obligated to disburse any undisputed amounts pending resolution of a billing dispute. Failure by a Party to deliver notice of a billing dispute within the time period set forth herein shall be deemed a waiver of such Party's right to dispute such Invoice. The Parties shall continue to perform under this Service Classification during the period of any billing dispute but shall not be precluded from exercising any other remedy available under this Service Classification. A billing dispute shall be subject to the dispute resolution provisions herein. Any amount determined to be owed as a result of the resolution of a billing dispute shall be disbursed within fifteen (15) days of such resolution, along with accrued interest in accordance with the interest provisions herein.

(8) **Company's Role as Agent.** Notwithstanding any provision in this Service Classification, the Company's Delaware Tariffs, Rules or orders to the contrary, the Company's obligation with respect to a QFCP Generator is only that of an agent for the collection of funds and disbursement of such funds to the QFCP Generator and, where required, to the Company's customers.

J. Disbursement Rates

The Company, acting in its role as the agent for collection of amounts due QFCP Generator and disbursement of such amounts to QFCP Generator, shall collect from customers and disburse to QFCP Generator hereunder the Disbursement Rate. As of the date of acceptance for filing by the Delaware PSC of this Service Classification, the Disbursement Rate shall be as follows:

\$166.87 per MWH for QFCP Generators with an Initial Delivery Date commencing during calendar years 2011, 2012, 2013 or 2014. Following the fifteenth anniversary of the Initial Delivery Date of each Unit to achieve Facility Commercial Operation, the Disbursement Rate shall be reduced to \$102.00 per MWH. Following the twentieth anniversary of the Initial Delivery Date of each Unit to achieve Facility Commercial Operation, the Disbursement Rate shall be reduced to \$30.00 per MWH. The Disbursement Rate shall not be subject to escalation. The Company may request Disbursement Rates for QFCP Generators with an Initial Delivery Date commencing beyond calendar year 2014 in a future filing.

In the event of any future change to the Delaware Fuel Cell Amendments that would prevent the QFCP Generator from providing service or collecting all Disbursements under this Service Classification "QFCP-RC", the Company shall collect from its customers, and shall disburse to QFCP Generator, all amounts necessary to provide the QFCP Generator with the full amount approved by the Commission in this Service Classification prior to such change to the Delaware Fuel Cell Amendments for each unit of energy produced by the QFCP Generator or which would have been produced by the QFCP Generator (in a circumstance in which the QFCP Generator would otherwise be entitled to payment pursuant to Section K(2) or (3) below) pursuant to the terms of this Service Classification for the remainder of the Services Term.

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

K. Taxes

The QFCP Generator shall pay or cause to be paid all taxes, fees and other charges imposed by any Governmental Authority with respect to the production, sale, and delivery of the Products and the performance of its obligations under this Service Classification.

L. Indemnification and Deemed Deliveries

(1) QFCP Generator shall indemnify, hold harmless and defend the Company, its Affiliates and their respective officers, directors, employees, agents, contractors, subcontractors, invitees, successors, representatives and permitted assigns (collectively, the "Company's Indemnities") from and against any and all claims, liabilities, costs, losses, damages and expenses, including reasonable attorney and expert fees and disbursements, actually incurred for: (a) damage to property of or injury to, or death of, any person; and (b) any penalties or fines imposed by Governmental Authorities, in any such case to the extent directly caused by the gross negligence or willful misconduct of QFCP Generator and/or its officers, directors, employees, agents, contractors, subcontractors or invitees, and not in whole resulting from the gross negligence of the Company, and arising out of, or connected with, QFCP Generator's performance under this Service Classification or QFCP Generator's breach of this Service Classification. The Company shall give QFCP Generator prompt notice of any claim for indemnification and authorizes QFCP Generator to settle or defend such claims (provided that in the case of settlement or compromise, the Company is unconditionally released from any and all liability with respect thereto and shall have no obligation resulting therefrom), and gives QFCP Generator control of the defense of such claims and assists QFCP Generator in so doing (at QFCP Generator's reasonable expense) upon request by QFCP Generator.

(2) In the case of a Force Majeure Event, affecting in whole or in part, the Facility, that prevents the QFCP Generator from supplying at least 80% of its nameplate capacity, the Company shall collect from its customers and disburse to the QFCP Generator 70% of the disbursements per MWH of reduction in output to which the QFCP Generator would have been entitled but for the Force Majeure Event. During a Force Majeure Event the Company will continue to receive the full reduction in renewable portfolio standards that would have been provided but for the Force Majeure Event.

(3) In the case of the occurrence of either a. or b. below (each a "Gas Interruption"):

- a. an interruption in fuel supply, in whole or in part, to the Facility, and such interruption prevents the QFCP Generator from supplying output from its available capacity; or
- b. a Fuel Quality Event,

then the Company shall collect from its customers and disburse to the QFCP Generator 100% of the disbursements per MWH of output to which the QFCP Generator would have been entitled but for the Gas Interruption. During any Gas Interruption, the Company will continue to receive the

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

L. Indemnification and Deemed Deliveries (Continued)

full reduction in renewable portfolio standards that would have been provided but for the Gas Interruption in fuel supply.

(4) The duration of payments by the Company under Section K (2) above resulting from any Force Majeure Event other than a Forced Outage Event shall in no event exceed 178 days for each Force Majeure Event.

(5) Section K (5) in its entirety is effective only for the period prior to the date upon which the fuel cell manufacturer receives an Investment Grade Credit Rating. With respect to a Force Majeure Event resulting from a Forced Outage Event that prevents the QFCP Generator from supplying output from the Facility, there shall be no disbursement to QFCP Generator for the first 90 days of such event and any such event shall no longer be considered to be a Force Majeure Event after the earlier of (i) the date of its remedy or (ii) 5:00 p.m. eastern standard time on July 1, 2025. Until the Forced Outage Event has been remedied or has expired, the following additional provisions shall apply:

- a. For each megawatt-hour of output which would have been generated but for a Forced Outage Event, QFCP Generator shall, at its sole expense, use commercially reasonable efforts to acquire and retire one Forced Outage Replacement REC. Such Forced Outage Replacement RECs shall be retired at QFCP Generator's own expense without payment or reimbursement for the acquisition thereof from any source. For purposes of this section, it is "commercially reasonable" not to acquire Forced Outage Replacement RECs if they are not available in sufficient quantities or if the acquisition price would exceed \$45 per Forced Outage Replacement REC. During a Forced Outage Event, the Company will continue to receive the full reduction in renewable portfolio standards requirements that would have been provided but for the Forced Outage Event.
- b. Following 90 days after the initiation of the Forced Outage Event, QFCP Generator shall be entitled to 70% of the disbursements per MWH of reduction in output to which the QFCP Generator would have been entitled but for the Forced Outage Event in the event that QFCP Generator has provided the Company with certification, pursuant to the PJM GATTS system or successor system, that it has acquired and retired Forced Outage Replacement RECs as set forth in Section K. (5) a above.
- c. For all output for which QFCP Generator, despite using commercially reasonable efforts, is unable to acquire and retire Forced Outage Replacement RECs as set forth in Sections K (5) a and b above during a Forced Outage Event (hereinafter a "Replacement REC Shortfall"), the Company shall collect from its customers and disburse to the QFCP Generator 55% of the disbursements per MWH of reduction in output to which the QFCP Generator would have been entitled but for the Forced Outage Event.

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

L. Indemnification and Deemed Deliveries (Continued)

(6) In calculating the disbursements to the QFCP Generator for output that would have been provided but for a Force Majeure Event and an event involving an interruption in fuel supply as set forth in Sections K. (2) and K. (3) above, the output used to calculate what the QFCP Generator would have generated but for the event will be based upon the average output from the affected Energy Servers during the 6 month period immediately preceding the event, adding to such average output any shortfall in output caused by any earlier Force Majeure Event during such 6 month period; provided that if the affected Energy Servers have not been in Facility Commercial Operation during such 6 months, their average output for the 24 hour period following the Facility Commercial Operation Date shall be used.

(7) A Party claiming the occurrence of a Force Majeure Event shall provide notice of its occurrence as promptly following occurrence thereof as reasonably possible, and shall provide complete documentation related to the basis and circumstances of the Force Majeure Event, including information as reasonably may be requested by the other Party. A Party claiming a Force Majeure Event shall promptly commence and diligently pursue a cure of the Force Majeure Event and shall keep the other Party apprised of the status of the Force Majeure Event and cure activities at regular intervals.

M. Audits

The QFCP Generator and the Company shall each have the right, on at least three (3) Business Days prior written notice, at its sole expense and during normal working hours, to examine the records of the other entity to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Service Classification, including records necessary to verify QFCP Generator's actual production of Products produced by the Facility. If any such examination reveals any inaccuracy in any Invoice, the necessary adjustments in such Invoice and the disbursements pursuant thereto will be made.

N. Rules and Regulations

The terms and conditions set forth in this Service Classification shall govern the provision of service under this Service Classification.

O. Application for Service – Succession/Assignment; Subcontracting

(1) The QFCP Generator shall file an Application for Service with the Company prior to commencing service under this Service Classification. Any entity which succeeds to or is assigned the interests of a QFCP Generator, substantially as a whole, shall be entitled to the rights and benefits under this Service Classification provided that it maintains satisfaction with the eligibility requirements of this Service Classification and otherwise performs the obligations of the QFCP Generator under this Service Classification.

(2) The QFCP Generator and the Qualified Fuel Cell Provider shall be entitled to engage one or more third parties to provide installation, maintenance, and other services with respect to the Energy Servers or otherwise in connection with a Qualified Fuel Cell Provider Project, and the Qualified Fuel

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

O. Application for Service – Succession/Assignment; Subcontracting (Continued)

Cell Provider shall be considered to be the operator of the Qualified Fuel Cell Provider Project if it performs such services directly or engages one or more third parties to perform all or any portion of such services, provided that (a) no such subcontract or other arrangement shall reduce in any way the obligations of the QFCP Generator under this Service Classification; (b) in no event shall any such third party be a third party beneficiary under this Service Classifications or be deemed to have any rights hereunder; and (c) the Company shall be entitled to rely on any decision, direction or instruction from such third party as if made or given by the QFCP Generator.

P. Notices.

Whenever this Service Classification requires or permits delivery of a notice or requires a Party to notify the other Party, all notices, requests, statements or disbursements shall be made to the Parties using the contact information set out in the Application for Service as updated from time by each Party by providing written notice to the other Party. Notices required to be in writing shall be delivered by letter, facsimile or other documentary form. Notice by facsimile or hand delivery shall be deemed to have been received by the close of the Business Day during which the notice is sent by facsimile (and confirmed) or hand delivered. Notice by overnight mail or courier shall be deemed to have been received upon delivery as evidenced by the delivery receipt.

Q. Dispute Resolution

(1) Informal Dispute Resolution. Before initiating legal action, a Party aggrieved by a dispute hereunder shall provide written notice to the other Party setting forth the nature of the dispute, the amount involved, if any, and the remedies sought. The Parties shall use good faith and reasonable commercial efforts to informally resolve such dispute. Such efforts shall last for a period of at least thirty (30) days from the date that the notice of the dispute is first delivered from one Party to the other Party. Any amounts determined to be owed as a result of informal dispute resolution shall be paid within three (3) Business Days of such resolution.

(2) Dispute Resolution. After Informal Dispute Resolution requirements have been satisfied, pursuant to the Delaware Fuel Cell Amendments either QFCP Generator or the Company may initiate an action with the Delaware Superior Court, according to the applicable Court rules.

R. Definition of Terms

The following capitalized terms, when used in this Service Classification, shall have the meanings set forth below:"

“Actual Heat Rate” means the Heat Rate of the Facility for a specified period.

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

R. Definition of Terms (Continued)

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

“Ancillary Services” means Regulation and Frequency Response Service, Energy Imbalance Service, Spinning Reserve Service, Supplemental Reserve Service and any other ancillary service applicable from time to time in the PJM Control Area pursuant to the PJM Agreements and which the Facility is capable of providing.

“Business Day” means any day except a Saturday, Sunday or a day that PJM declares to be a holiday, as posted on the PJM website. A Business Day shall begin at 8:00 am and end at 5:00 pm EPT.

“Capacity” means the net electrical generating capacity of the Facility (expressed in MW), including installed capacity and Unforced Capacity.

“Company” means Delmarva Power & Light Company.

“Cost,” when used in reference to an expense or expenditure incurred by the Company, means any expense or expenditure directly or indirectly incurred by the Company arising out of the Qualified Fuel Cell Provider Project that are not a “Disbursement,” including but not limited to costs associated with Service Classification “QFCP-RC.”

“Delaware Fuel Cell Amendments” means revisions to the RPS Act as provided in the Act to Amend Title 26 of the Delaware code relating to Delaware’s Renewable Energy Portfolio Standards and Qualified Fuel Cell Provider Project.

“Delaware PSC” means the Delaware Public Service Commission.

“Delivery Point” means the point(s) on the PJM Transmission System with a Pnode Identification in the PJM Bus Model, as identified in the Service Application.

“Disbursements” means amounts based on the “Disbursement Rate” plus any amounts for the QFCP Generator’s Fuel Cost (payments under service Classification LVG-QFCP-RC) plus any amounts incurred for the Site Preparation Cost by QFCP Generator and reimbursable by Company above the Site Preparation Cost Cap, including but not limited to costs that may be incurred to relocate Energy Servers after the Initial Delivery Date through the Services Term as mutually agreed upon by the Company and the QFCP Generator less the proceeds from the sale of any Products by the QFCP Generator.

“Disbursement Rate” means the price per MWh of Energy output delivered by the QFCP Generator to a Delivery Point(s) designated by the Company pursuant to the terms of this Service Classification, as set forth in Section I herein.

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

R. Definition of Terms (Continued)

“Electrical Interconnection Facilities” means the equipment and facilities required to safely and reliably interconnect the Facility to the PJM Transmission System or the transmission system of another Transmitting Utility in whose territory the Facility is located, as applicable, including the collection system between each Unit, transformers and all switching, metering, communications, control and safety equipment, including the facilities described in the Interconnection Agreement.

“Energy” means three-phase, 60-cycle alternating current electric energy constituting the Net Electric Output.

“Energy Server” means an array of solid oxide fuel cells, which are combined using modular architecture, to form a single, freestanding scalable distributed generation power generation unit that can operate in parallel with other such power generation units.

“Environmental Attributes” means Renewable Energy Credits (RECs), solar RECs (SRECs) and any and all other federal, regional, state and other credits, certificates, benefits, emission reductions, offsets and allowances that are attributable, now or in the future, to the Facility or the Energy produced by the Facility, including: (a) any such credits, certificates, benefits, offsets and allowances computed on the basis of the Facility’s displacement of fossil-fuel derived or other conventional energy generation; (b) any environmental certificates issued by PJM under the GATS in connection with Energy produced by the Facility; and (c) any voluntary emission reduction credits obtained or obtainable by QFCP Generator in connection with the generation of Energy from the Facility; provided however, that Environmental Attributes shall not include: (i) federal production tax credits (“PTCs”) or any state production tax credits; (ii) any investment tax credits or other tax credits associated with the construction or ownership of the Facility; or (iii) any state, federal or private cash payments or grants relating in any way to the construction or ownership of the Facility, the output thereof or PTCs.

“Facility” means the Energy Servers, the Electrical Interconnection Facilities and any other ancillary facilities and equipment.

“Facility Commercial Operation” means the condition of a Unit of the Facility, not to exceed a total of 150 Units, once it has achieved the following:

- (a) all performance testing of the Electrical Interconnection Facilities shall have been successfully completed in accordance with PJM Manuals (or any other applicable RTO rules);
- (b) applicable Unit shall be operating and able to produce and deliver Energy to the Interconnection Point: (i) pursuant to the terms of this Service Classification and the Interconnection Agreement; and (ii) in accordance with Good Utility Practice; and
- (c) the computer monitoring system (CMS) for the Unit shall have been installed and tested and shall be fully operational.

“Facility Commercial Operation Date” means the first date as of which: (a) Facility Commercial Operation has occurred; and (b) QFCP Generator shall have delivered to Company written certification of an authorized officer of QFCP Generator certifying that the applicable Unit of the Facility has achieved Facility Commercial Operation.

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

R. Definition of Terms (Continued)

“Facility Meter” means the revenue quality electricity generation meter to be located at the Metering Point (the proposed location of which is to be identified in the Interconnection Agreement), which Facility Meter shall register all Energy produced by the Facility and delivered to the Interconnection Point.

“FERC” means the Federal Energy Regulatory Commission.

“Forced Outage Event” means the inability of a QFCP Generator to obtain from its Qualified Fuel Cell Provider or any other Persons a replacement component part or a service necessary for operation of one or more Energy Servers at its nameplate capacity.

“Forced Outage Replacement RECs” means any combination of RECs and SRECs such that one-sixth (1/6) of an SREC equates to one REC, providing that at least 90% of the RECs shall be SRECs.

“Force Majeure Event” means (i) a Forced Outage Event; or (ii) an event or circumstance that: (a) prevents a Party from performing its obligations under this Service Classification; (b) was not foreseeable by such Party; (c) was not within the reasonable control of, or the result of the negligence of such Party; and (d) such Party is unable to reasonably mitigate, avoid or cause to be avoided with the exercise of due diligence.

“Fuel Cost” means the amount to be paid monthly by QFCP Generator for the natural gas purchased by QFCP Generator under Company’s Service Classification LVG-QFCP-FC.

“Fuel Quality Event” means an event wherein (a) fuel delivered by the Company to the QFCP Generator fails to meet pipeline quality specifications contained in the respective General Terms and Conditions of the FERC gas tariffs of the upstream pipeline(s) that interconnect with the Company’s gas system and (b) such failure prevents the QFCP Generator from supplying output from its available capacity. In no event shall a Fuel Quality Event be deemed to occur or to continue in effect at any time after the end of the thirty-six month following the date that the first Unit achieves Facility Commercial Operation.

“Governmental Authority” means any federal, state, local, municipal or other governmental or quasi-governmental authority, agency, department, board, court, tribunal, regulatory commission or other body, whether legislative, judicial or executive, together or individually, exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power over a Party, the Facility, the Products to be delivered under this Service Classification.

“Guaranteed Initial Delivery Date” means March 31, 2013 for a minimum of 5 MW; and September 30, 2014 for a total of up to 30 MW; provided however, that the Guaranteed Initial Delivery Date shall be extended on a day-for-day basis for up to twelve (12) months to the extent that the Initial Delivery Date is delayed as a result of Force Majeure Event or an action or inaction of Company that would reasonably cause a delay in the ability of the QFCP Generator to achieve the dates and respective MW requirements set forth in this definition.

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

R. Definition of Terms (Continued)

“Heat Rate” means the quantity of BTU’s consumed to produce a kilowatt-hour of energy, calculated as follows:

$$\frac{\text{quantity of fuel consumed x heat content per unit of fuel}}{\text{kilowatt-hours of energy delivered to the Delivery Point}}$$

“Initial Delivery Date” means the date on which the conditions set forth in Section B of this Service Classification for an Energy Server have been satisfied or waived in writing by Company.

“Interconnection Agreement” means an agreement among QFCP Generator, the utility (which may be Company or an Affiliate of Company) in whose territory the Facility is located, and/or PJM regarding interconnection of the Facility to the transmission or distribution system of the Transmitting Utility.

“Interconnection Point” means the physical point of interconnection between the Electrical Interconnection Facilities and the electrical transmission system of the Transmitting Utility.

“Interest Rate” means, as of any date, the lesser of: (a) the per annum rate of interest equal to the prime lending rate published in The Wall Street Journal under “Money Rates” on such day (or, if such rate is not published on such date, the rate published on the most recent preceding date on which such rate is published), plus two percent (2%); and (b) the maximum rate permitted by applicable Law.

“Investment Grade Credit Rating” means a rating of “BBB” or better from Standard and Poor’s, a division of McGraw-Hill Companies, Inc., or a rating of “Baa3” or better from Moody’s Investor Services.

“Invoice” has the meaning set forth in Section H of this Service Classification.

“kW” means kilowatt.

“kWh” means kilowatt-hour.

“Law” means any statute, law, treaty, convention, rule, regulation, ordinance, code, Permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction issued, adopted, administered or implemented by a court or Governmental Authority, including any of the foregoing that are enacted, amended or issued after the Effective Date, and any binding interpretations of any of the foregoing.

“Market Participant” has the meaning set forth in the PJM Operating Agreement.

“Market Revenues” means revenues obtained by the QFCP Generator for all Products.

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

R. Definition of Terms (Continued)

“Metering Point” means the physical location at the Facility where the Facility Meter is situated.

“Monthly Settlement Date” has the meaning set forth in Section H of this Service Classification.

“MW” means megawatt.

“MWh” means megawatt-hour.

“Net Electrical Output” means the amount of Energy produced by the Facility measured in MWhs and metered at the Metering Point (adjusted for any transmission line and transformer losses, as determined in accordance with applicable tariffs and good utility practice, to the Delivery Point).

“Party” or “Parties,” when used in the singular, means “QFCP Generator” or “Company” as those terms are defined herein and when used in the plural, means both QFCP Generator and the Company.

“Permit” means any permit, authorization, license, order, consent, waiver, exception, exemption, variance or other approval by or from, and any filing, report, certification, declaration, notice or submission to or with, any Governmental Authority required to authorize action, including any of the foregoing relating to the ownership, siting, construction, operation, use or maintenance of the Facility under any applicable Law.

“Person” means an individual, partnership, joint venture, corporation, limited liability company, trust, association, unincorporated organization or Governmental Authority.

“PJM” means PJM Interconnection, LLC.

“PJM Agreements” means the PJM Tariff, the PJM Operating Agreement, the PJM RAA, the PJM Manuals and any other applicable PJM bylaws, procedures, manuals or documents.

“PJM Control Area” shall have the meaning ascribed to it in the PJM Agreements.

“PJM E-Account” means an account obtainable through PJM which provides access to web-based PJM settlement, accounting, marketing and other informational and economic systems.

“PJM Interchange Energy Market” has the meaning set forth in the PJM Tariff.

“PJM Manual” or “PJM Manuals” means the instructions, rules, procedures and guidelines established by PJM for the operation, planning and accounting requirements of the PJM Control Area and PJM Interchange Energy Market.

“PJM Member” means any entity satisfying the requirements of PJM to conduct business with PJM, including Market Participants, transmission owners, generating entities and Load Serving Entities.

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

R. Definition of Terms (Continued)

“PJM Operating Agreement” means the Operating Agreement of PJM. “PJM RAA” means the PJM Reliability Assurance Agreement.

“PJM Tariff” means the Open Access Transmission Tariff of PJM.

“PJM Transmission System” means the system of transmission lines and associated facilities that have been placed under PJM’s operational control.

“Products” means Capacity, Energy, Ancillary Services and Environmental Attributes, and any other present or future benefits or rights produced from or created by the Facility in connection with the supply of Capacity and Energy, and not otherwise expressly reserved herein for the benefit of QFCP Generator.

“PSC Approval” means an order issued by the Delaware PSC approving the terms of this Service Classification without modification and authorizing Company to recover all of its Costs incurred hereunder, which order shall be in form and substance reasonably acceptable to Company.

“QFCP Generator” means the owner of a Qualified Fuel Cell Provider Project, as defined in Title 26, Section 352 of the Delaware Code, that qualifies for service under this Service Classification and which has filed an Application for Service with the Company.

“Qualified Fuel Cell Provider” shall have the same meaning as defined in Title 26, Section 352 of the Delaware Code.

“Qualified Fuel Cell Provider Project” shall have the same meaning as defined in Title 26, Section 352 of the Delaware Code.

“Renewable Energy Credit” or “REC” shall have the meaning set forth in the RPS Rules and RPS Act.

“Renewable Energy Portfolio Standard” shall have the meaning set forth in the RPS Act.

“RPM” means the Reliability Pricing Model capacity auction market administered by PJM.

“RPS Act” means Delaware’s Renewable Energy Portfolio Standards Act, as may be amended from time to time (including pursuant to the Delaware Fuel Cell Amendments (26 Del. C. §§ 351-364).

“RPS Rules” means the Delaware PSC’s Rules and Procedures to Implement the Renewable Energy Portfolio Standard.

QUALIFIED FUEL CELL PROVIDER PROJECT-RENEWABLE CAPABLE POWER PRODUCTION
(Continued)

R. Definition of Terms (Continued)

“Service Application” means a document signed by QFCP Generator and the Company that (1) acknowledges the respective obligations of each as defined in this Service Classification “QFCP-RC” and (2) serves as an application by a QFCP Generator for service under this Service Classification “QFCP-RC”. The form of Service Application shall be approved as part of this Service Classification “QFCP-RC.” The Service Application shall be in addition to such information and other requirements of the Company relating to technical operating standards as may be in effect from time to time, including without limitation, those applicable to the parallel operation of customer owned generation. A Service Application shall not be deemed accepted until counter-signed by the Company.

“Service Classification QFCP-RC” means the Service Classification available throughout the territory served by the Company in the State of Delaware and is applicable to electricity generated from a Qualified Fuel Cell Provider Project satisfying the requirements of the Delaware Fuel Cell Amendments. The availability of this Service Classification is limited to: QFCP Generators who meet the requirements of Section A. Availability.

“Services Term” means the period of time commencing on the Initial Delivery Date and ending twenty one (21) years after the Initial Delivery Date for each Unit.

“Site” means the land on which the Units will be sited, which may be at multiple locations, and which is anticipated to potentially include land owned by the State of Delaware, by Company and/or by customers of Company.

“Site Preparation Cost” means the costs to prepare the Site(s) to accommodate the Facility Commercial Operation. The amount of the applicable Site Preparation Cost will be determined by the mutual agreement of the QFCP Generator and the Company.

“Site Preparation Cost Cap” means the Site Preparation Cost for which the QFCP Generator shall be responsible. The Site Preparation Cost Cap is \$17.2 million.

“SREC” shall have the same meaning set forth in the RPS Rules and the RPS Act.

“Target Heat Rate” means 7550 BTU per kWh.

“Transmitting Utility” means any utility (including its control area operators) or RTO (including PJM) that transmits Energy from the Interconnection Point to the Delivery Point.

“Unforced Capacity” has the meaning assigned to such term in the PJM Rules.

“Unit” means each Energy Server forming a part of the Facility.

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RATES AND CHARGES
CORE SALES RATE LEAF

<u>SERVICE CLASSIFICATION</u>	<u>BASE RATE</u>	<u>BASIS</u>
<u>Large Volume Gas Sales Service-Qualified Fuel Cell Provider-Renewable Capable Power Production</u> <u>("LVG-QFCP-RC")</u>		
Customer Charge	\$3,166.67	per month
Capital Recovery Charge	Varies	per Customer's Executed Service Agreement
Environmental Surcharge Rider	\$0.00128	per MCF
Gas Cost Rate (GCR) Commodity Charge 1/	Varies	per MCF

Public Utilities Tax: 4.25% applies to all non-residential services, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% charged on all non-exempt services, in the City of Wilmington.

- 1/ All LVG-QFCP-RC customers pay a Commodity Charge Rate based upon the Gas Daily Average (GDA) for Transco Zone 6 Non-New York price plus any premiums incurred by Delmarva to provide this service.

SERVICE CLASSIFICATION "LVG-QFCP-RC"

LARGE VOLUME GAS SALES SERVICE-
QUALIFIED FUEL CELL PROVIDER-RENEWABLE CAPABLE POWER PRODUCTION

A. Purpose

This negotiated contract service allows the Company to respond to State of Delaware mandates concerning compliance with The Renewable Energy Portfolio Standards Act.

B. Availability

This contract tariff provision allows for the sale of natural gas on a firm basis to those third party entities involved in electric generation providing service to Delmarva Power electric Customers pursuant to service classification QFPC-RC.

C. Applicability

These general terms and conditions are applicable to all gas Customers being served under the Company's LVG-QFCP-RC Gas Sales Service Classification.

D. Term

Service for a Fuel Cell Gas Sales Service Customer shall be provided under an executed Service Agreement concerning natural gas service under the LVG-QFCP-RC classification with a specified term and renewal provisions.

E. Base Rates and Charges

Customers that are served under the LVG-QFCP-RC service classification will be subject to charges as provided on Tariff Leaf No. 37a for Large Volume Gas Fuel Cell sales.

F. Commodity Cost Rates

All LVG-QFCP-RC customers pay a Commodity Charge Rate based upon the Gas Daily Average (GDA) Transco Zone 6 Non NY price plus any premiums incurred by Delmarva to provide this service.

G. Metering

Metering shall include a recording device, which shall be furnished and installed by the Company. The Customer shall furnish an independent dedicated electrical supply and phone line for the operation of this equipment, in an area acceptable to the Company.

E X H I B I T "B"

May 2012 QFCP-RC Charge

**COVER PAGE FOR THE DPL – DELAWARE ELECTRIC
QUALIFIED FUEL CELL PROVIDER PROJECT – RENEWABLE CAPABLE POWER PRODUCTION
("QFCP-RC")
TABLE**

CURRENT UPDATE

Internet update on or before: April 3, 2012

Tariff changes effective: Billing Month of May 2012 (April 30, 2012)

Reason for the Tariff Changes: The Monthly table update for the Delmarva Power & Light Company – QFCP-RC which is posted on the Company Internet as supplemental tariff information and as referenced on tariff leaf no. 74e. This charge is included in the Company's distribution rates for presentation on the bill.

Order/Docket Reference(s): Order No. 8079 in Docket No. 11-362

Processed By: Pamela Long, Regulatory Affairs Lead

Delmarva Power & Light – Delaware Electric Qualified Fuel Cell Provider Project – Renewable Capable Power Production “QFCP-RC” rate

Rate Class	May 2012
(\$/kwh)	
Residential	\$0.000143
Residential -Space Heating	\$0.000143
Residential – Time of Use “R-TOU”	\$0.000143
Residential – Time of Use Non-Demand “R-TOU-ND”	\$0.000143
Small General Service –Secondary Non-Demand “SGS-ND”	\$0.000143
Space Heating Secondary Service “SGS-ND” and” MGS-S”	\$0.000143
Water Heating Secondary Service “SGS-ND” and “MGS-S”	\$0.000143
Outdoor Recreational Lighting Service – Secondary “ORL”	\$0.000143
Medium General Service – Secondary “MGS-S”	\$0.000143
Large General Service – Secondary “LGS-S”	\$0.000143
General Service – Primary “GS-P”	\$0.000139
General Service – Transmission “GS-T”	\$0.000137
Outdoor Lighting – PL	\$0.000143
Outdoor Lighting - SL	\$0.000143

Billing Month of May 2012



**STATE OF DELAWARE
PUBLIC SERVICE COMMISSION**

861 SILVER LAKE BOULEVARD
CANNON BUILDING, SUITE 100
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7500
FAX: (302) 739-4849

April 9, 2012

MEMORANDUM

TO: Members of the Commission
FROM: Malika Davis, Public Utility Analyst
Guang Wei, Public Utility 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 APRIL 2, 2012) – PSC DOCKET NO. 12-
173-04

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 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 and a new gas tariff for Service Classification LVG-QFCP-RC pursuant to the Delaware Fuel Cell 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 QFCP-RC 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. The Compliance Filing contained electric tariff leafs number 1, 39 to 47, 50, 74 through 74r and gas tariff leafs 2, 37a, and 48a. Delmarva also provided calculations for the May 2012 QFCP-RC Charge. Delmarva provided the source documents for the QFCP-RC Charge calculations on April 4 and 5, 2012. The rates for each customer classification are provided below:

May 2012 QFCP Charge	
Service Classification	\$ per kWh
Residential	\$ 0.000143
Residential – Space Heating	\$ 0.000143
Residential Time-of-Use "R-TOU"	\$ 0.000143
Residential Time-of-Use NON-Demand "R-TOU-ND"	\$ 0.000143
Small General Service - Secondary Non-Demand "SGS-ND"	\$ 0.000143
Space Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.000143
Water Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.000143
Outdoor Recreational Lighting Svc - Secondary "ORL"	\$ 0.000143
Medium General Service - Secondary "MGS-S"	\$ 0.000143
Large General Service - Secondary "LGS-S"	\$ 0.000143
General Service - Primary "GS-P"	\$ 0.000139
General Service - Transmission "GS-T"	\$ 0.000137
Outdoor Lighting PL	\$ 0.000143
Outdoor Lighting SL	\$ 0.000143

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 nonbypassable 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 nonbypassable charges to become effective less than 30 days after filing under such conditions as it may prescribe."**

Delmarva is currently working to develop customer education communications regarding the QFCP-RC Charge. The communications are to include bill inserts, web based information and talking points for Delmarva employees. Delmarva previously assured the Commission and Staff that all customer education materials will be shared with Staff as part of its earlier briefing on the Bloom Fuel Cell Project at the April 3, 2012 Commission meeting.

Given the limited time for each month's review and true-up, Staff requires all documents requested as part of this filing to be supplied with each future filing until so changed by Staff. Staff reserves the right to perform more detailed audits of prior months' filings.

Staff performed a review of the calculations and the tariff leafs provided in the Compliance Filing and does not find any manifest error. Staff therefore recommends that the QFCP-RC Charge on the tariffs provided in the Compliance Filing be permitted to become effective for bills issued by Delmarva to its customers between April 30 and May 29, 2012.