

Dawn Kurtz Crompton
Assistant General Counsel



U.S. mail:
92DC42
PO Box 6066
Newark, DE 19714-6066

All other deliveries:
92DC42
500 N. Wakefield Drive
Newark, DE 19702

302.429.3143 – Telephone
302.429.3801 – Facsimile

Dawn.Crompton@exeloncorp.com

October 31, 2022

Via DelaFile & Via Email

Ms. Donna Nickerson, Secretary
Delaware Public Service Commission
Cannon Building, Suite 100
861 Silver Lake Boulevard
Dover, DE 19904

Re: Delmarva Power & Light Company's Application for an EDIT Rate Change Pursuant to 26 Del. C. §§ 303(b) and 304 and for Docket No. 17-0977

Dear Secretary Nickerson,

Pursuant to 26 Del. C. §§ 303(b) and 304 and Order No. 9248 in the above-captioned docket, Delmarva Power & Light Company (“Delmarva” or the “Company”) is amending the application filed September 16, 2022 to modify its electric Rider “EDIT” Excess Deferred Income Tax Credit.

The Company has identified a reporting issue with its annual EDIT filing, in that a portion of EDIT that was provided to customers via the Rate Refund process for Docket No. 17-0977 was not captured in previous reporting. The rate refund credited customers the difference between interim rates and the Commission’s final approved rates for the time period of March 17, 2018 through August 30, 2018. The rate refund provided to customers from Docket No. 17-0977 calculates the difference between interim rates and the Commission’s final approved rates, and it included both the Commission’s approved base distribution rates and the Company’s Rider EDIT credits. Delmarva’s Final Rate Refund report with the Delaware Public Service Commission in Docket No. 17-0977 indicated \$6.4 million (excluding interest) was refunded, of which approximately \$7.3 million was related to Rider EDIT. The Company implemented the Rider EDIT component in its billing system on September 1, 2018.

Pursuant to Section II 1 (c) (iv) through Section II 1 (c) (vii) of the Settlement Agreement in Order No. 9248 in Docket No. 17-0977 (approved on August 21, 2018), Delmarva is providing its intent to set certain Rider EDIT service classifications to zero (\$0.000000) as found on its Electric Tariff Leaf No. 121 of Delmarva’s tariff and described below. Pursuant to 26 Del. C. § 303(b), Delmarva is hereby providing 60 day notice of this change to an existing rate, and pursuant to 26 Del. C. § 306(a), these proposed EDIT rate changes will become effective for usage on and after the date listed in the table, with proration. The Company is requesting separate rate effective dates to minimize both the number of filings and the regulatory asset balances.

Service Classification	Effective Date
Small General Service - Non-Demand (“SGS-ND”): 5-Year EDIT Credit	January 1, 2023
Small General Service - Non-Demand (“SGS-ND”): 6-Year EDIT Credit	January 1, 2023
General Service – Transmission (“GS-T”): 5-Year EDIT Credit	January 1, 2023
General Service – Transmission (“GS-T”): 6-Year EDIT Credit	January 1, 2023
Residential Service & Plug-In Vehicle (“R” & “PIV”): 5-Year EDIT Credit	January 1, 2023
Residential TOU - Non-Demand (“R-TOU-ND”): 5-Year EDIT Credit	January 1, 2023
Residential Heating (“RSH”): 5-Year EDIT Credit	February 1, 2023

For ease of reference, below are the applicable subparts of Section II 1 (c) of the Settlement Agreement in Docket No. 17-0977 referenced above:

- (iv) Within 60 days of the completion of the 5-year amortization of the Non-Protected, Non-Property-Related EDIT credit, the Company will file updated tariff sheets with the Commission to eliminate the effect of that 5-year amortization. Within 60 days of completion of the 6-year amortization of the Non-Protected Property-Related EDIT credit, the Company will file updated tariff sheets to eliminate the effect of that 6-year amortization. Each filing of updated tariff sheets will be accompanied by a report to demonstrate that the full amount of the applicable 5-year or 6-year EDIT credit will be returned to customers by the effective date of each tariff change.
- (v) The tariff sheets will include a separate line item for the 5-year EDIT credit amortization and the 6-year EDIT credit amortization. The filing of the updated tariff sheets in year 5 and year 6 will only eliminate the applicable EDIT credit amortization line, with no other modifications to the tariff sheet.
- (vi) During the EDIT amortization flow-back period, the Company will file annual reports, commencing June 30, 2019, summarizing the cumulative amount of the non-protected EDIT benefits provided to customers through March 31 of that year, including benefits flowed back prior to the sur-credit becoming effective.
- (vii) Any amounts paid to customers in excess of the total EDIT balance will be recorded as a regulatory asset with a return at the Company's Commission-authorized rate of return, to be recovered in the Company's subsequent rate case.

Each aforementioned service classification has received or will have received all of the Five Year or Six Year EDIT Credits to which it was entitled pursuant to the settlement in Docket No. 17-0977 by the dates set forth above, such that there will be no remaining credit balances by the proposed effective date. Upon setting the Five Year EDIT Credit Non-Property

Related rate to zero, Delmarva met with Commission Staff to discuss the path forward concerning the Six Year non-protected, property balances.

As a result of those discussions, Delmarva hereby proposes to transfer any remaining regulatory asset balance from the Five Year non-protected, non-property balance to the Six Year non-protected, property balance to reduce the remaining regulatory liability in the Six Year non-protected, property balance, if that balance is still a credit. For this amended filing, that will be applicable to the Five Year non-protected, non-property balances under service classifications R & PIV, R-TOU-ND, and RSH and apply those asset balances to reduce the remaining regulatory liability for the Six Year non-protected, property balances under service classifications R & PIV, R-TOU-ND, and RSH, respectively. This will allow Delmarva to continue refunding the full balance of the EDIT credits to customers without the accumulation of a regulatory asset and related return at Delmarva's Commissions-authorized rate of return related to the Five Year EDIT credits for these service classifications. Delmarva will continue to monitor all remaining EDIT credit balances and make the appropriate filings required under the Settlement Agreement.

To support this request, the Company is attaching the following schedules:

- Schedule 1, 1a, and 1b (Electronic Only) – provides a summary of the rate classes with proposed modifications, as well as details for the remaining balances by month of each rate class for both the Five Year and Six Year EDIT balances.
- Schedule 2 and 2a (Electronic Only) – provides a summary of accounting amortization versus Rider EDIT revenue credits provided to customers.
- Clean and Redline Electric Tariff Leaf No. 121, effective January 1, 2023.
- Clean and Redline Electric Tariff Leaf No. 121, effective February 1, 2023.

Last, the Company will continue to monitor the estimates of other service classifications whose Rider EDIT credits may need to be set to \$0.000000 and will submit 60 day notices for each of those at the appropriate time.

Should you have any questions, please feel free to contact me at dawn.crompton@exeloncorp.com or Diane Goff at diane.goff@pepcoholdings.com.

Respectfully,



Dawn Kurtz Crompton (#5579)

Enclosures

DELMARVA POWER & LIGHT COMPANY
RIDER "EDIT"

Schedule 1, 1a, and 1b
(Electronic Only)

DELMARVA POWER & LIGHT COMPANY

RIDER "EDIT"

Schedule 2 and 2a

(Electronic Only)

DELMARVA POWER & LIGHT COMPANY
RIDER "EDIT"
AMENDED PROPOSED TARIFF LEAFS -
EFFECTIVE JANUARY 1, 2023 - CLEAN

RIDER "EDIT"
EXCESS DEFERRED INCOME TAX CREDIT

A. Availability

This rider is applicable to Schedules “R”, “RSH”, “RTOU-ND”, “PIV”, “SGS-S”, “GS-SH”, “GS-WH”, “MGS-S”, “ORL”, “LGS-S”, “GS-P”, “GS-T”, “OL”.

Rider “EDIT” is to ensure the full amount of the Tax Cut and Jobs Act (TCJA) tax benefits associated with the non-protected assets are returned to customers over a five (5) and six (6) year period.

B. Monthly Rate

Service Classification	Five Year EDIT Credit <u>Non-Property Related</u>	Six Year EDIT Credit <u>Property Related</u>
R & PIV		
All kwhrs Rate (\$/kWh)	\$0.000000	(\$0.002159)
RSH		
All kwhrs Rate (\$/kWh)	(\$0.000990)	(\$0.001761)
R-TOU-ND		
On-Peak Energy (\$/kWh)	\$0.000000	(\$0.001821)
Off-Peak Energy (\$/kWh)	\$0.000000	(\$0.001821)
SGS-ND		
All kwhrs Rate (\$/kWh)	\$0.000000	\$0.000000
GS-SH		
All kwhrs Rate (\$/kWh)	(\$0.000540)	(\$0.000960)
GS-WH		
All kwhrs Rate (\$/kWh)	(\$0.000648)	(\$0.001153)
ORL		
All kwhrs Rate (\$/kWh)	(\$0.001076)	(\$0.001913)
MGS-S		
All kw Rate (\$/kW)	(\$0.187800)	(\$0.333900)
LGS-S		
All kw Rate (\$/kW)	(\$0.140100)	(\$0.249000)
GS-P		
All kw Rate (\$/kW)	(\$0.117300)	(\$0.208500)
GS-T		
All kw Rate (\$/kW)	\$0.000000	\$0.000000
OL		
Per Lamp	(\$0.19)	(\$0.35)

DELMARVA POWER & LIGHT COMPANY
RIDER "EDIT"
AMENDED PROPOSED TARIFF LEAFS -
EFFECTIVE JANUARY 1, 2023 - REDLINE

RIDER "EDIT"
EXCESS DEFERRED INCOME TAX CREDIT

A. Availability

This rider is applicable to Schedules “R”, “RSH”, “RTOU-ND”, “PIV”, “SGS-S”, “GS-SH”, “GS-WH”, “MGS-S”, “ORL”, “LGS-S”, “GS-P”, “GS-T”, “OL”.

Rider “EDIT” is to ensure the full amount of the Tax Cut and Jobs Act (TCJA) tax benefits associated with the non-protected assets are returned to customers over a five (5) and six (6) year period.

B. Monthly Rate

Service Classification	Five Year EDIT Credit <u>Non-Property Related</u>	Six Year EDIT Credit <u>Property Related</u>
R & PIV		
All kWhrs Rate (\$/kWh)	(\$0.001214)000000	(\$0.002159)
RSH		
All kWhrs Rate (\$/kWh)	(\$0.000990)	(\$0.001761)
R-TOU-ND		
On-Peak Energy (\$/kWh)	(\$0.001024)000000	(\$0.001821)
Off-Peak Energy (\$/kWh)	(\$0.001024)000000	(\$0.001821)
SGS-ND		
All kWhrs Rate (\$/kWh)	(\$0.001828)(\$000000)	<u>\$0.003251)000000</u>
GS-SH		
All kWhrs Rate (\$/kWh)	(\$0.000540)	(\$0.000960)
GS-WH		
All kWhrs Rate (\$/kWh)	(\$0.000648)	(\$0.001153)
ORL		
All kWhrs Rate (\$/kWh)	(\$0.001076)	(\$0.001913)
MGS-S		
All kw Rate (\$/kW)	(\$0.187800)	(\$0.333900)
LGS-S		
All kw Rate (\$/kW)	(\$0.140100)	(\$0.249000)
GS-P		
All kw Rate (\$/kW)	(\$0.117300)	(\$0.208500)
GS-T		
All kw Rate (\$/kW)	(\$0.008400)(\$000000)	<u>\$0.014900)000000</u>
OL		
Per Lamp	(\$0.19)	(\$0.35)

Filed ~~May 28, 2020~~October 31, 2022

Effective with Usage

On and After ~~June 4, 2019~~January 1, 2023

Filed in Compliance with Order No. 9593 in Docket No. 17-1094

Amended Proposed

DELMARVA POWER & LIGHT COMPANY
RIDER "EDIT"
AMENDED PROPOSED TARIFF LEAFS -
EFFECTIVE FEBRUARY 1, 2023 - CLEAN

RIDER "EDIT"
EXCESS DEFERRED INCOME TAX CREDIT

A. Availability

This rider is applicable to Schedules “R”, “RSH”, “RTOU-ND”, “PIV”, “SGS-S”, “GS-SH”, “GS-WH”, “MGS-S”, “ORL”, “LGS-S”, “GS-P”, “GS-T”, “OL”.

Rider “EDIT” is to ensure the full amount of the Tax Cut and Jobs Act (TCJA) tax benefits associated with the non-protected assets are returned to customers over a five (5) and six (6) year period.

B. Monthly Rate

Service Classification	Five Year EDIT Credit <u>Non-Property Related</u>	Six Year EDIT Credit <u>Property Related</u>
R & PIV		
All kwhrs Rate (\$/kWh)	\$0.000000	(\$0.002159)
RSH		
All kwhrs Rate (\$/kWh)	\$0.000000	(\$0.001761)
R-TOU-ND		
On-Peak Energy (\$/kWh)	\$0.000000	(\$0.001821)
Off-Peak Energy (\$/kWh)	\$0.000000	(\$0.001821)
SGS-ND		
All kwhrs Rate (\$/kWh)	\$0.000000	\$0.000000
GS-SH		
All kwhrs Rate (\$/kWh)	(\$0.000540)	(\$0.000960)
GS-WH		
All kwhrs Rate (\$/kWh)	(\$0.000648)	(\$0.001153)
ORL		
All kwhrs Rate (\$/kWh)	(\$0.001076)	(\$0.001913)
MGS-S		
All kw Rate (\$/kW)	(\$0.187800)	(\$0.333900)
LGS-S		
All kw Rate (\$/kW)	(\$0.140100)	(\$0.249000)
GS-P		
All kw Rate (\$/kW)	(\$0.117300)	(\$0.208500)
GS-T		
All kw Rate (\$/kW)	\$0.000000	\$0.000000
OL		
Per Lamp	(\$0.19)	(\$0.35)

DELMARVA POWER & LIGHT COMPANY
RIDER "EDIT"
AMENDED PROPOSED TARIFF LEAFS -
EFFECTIVE FEBRUARY 1, 2023 - REDLINE

RIDER "EDIT"
EXCESS DEFERRED INCOME TAX CREDIT

A. Availability

This rider is applicable to Schedules “R”, “RSH”, “RTOU-ND”, “PIV”, “SGS-S”, “GS-SH”, “GS-WH”, “MGS-S”, “ORL”, “LGS-S”, “GS-P”, “GS-T”, “OL”.

Rider “EDIT” is to ensure the full amount of the Tax Cut and Jobs Act (TCJA) tax benefits associated with the non-protected assets are returned to customers over a five (5) and six (6) year period.

B. Monthly Rate

Service Classification	Five Year EDIT Credit <u>Non-Property Related</u>	Six Year EDIT Credit <u>Property Related</u>
R & PIV		
All kWhrs Rate (\$/kWh)	\$0.000000	(\$0.002159)
RSH		
All kWhrs Rate (\$/kWh)	(\$0.000990) 000000	(\$0.001761)
R-TOU-ND		
On-Peak Energy (\$/kWh)	\$0.000000	(\$0.001821)
Off-Peak Energy (\$/kWh)	\$0.000000	(\$0.001821)
SGS-ND		
All kWhrs Rate (\$/kWh)	\$0.000000	\$0.000000
GS-SH		
All kWhrs Rate (\$/kWh)	(\$0.000540)	(\$0.000960)
GS-WH		
All kWhrs Rate (\$/kWh)	(\$0.000648)	(\$0.001153)
ORL		
All kWhrs Rate (\$/kWh)	(\$0.001076)	(\$0.001913)
MGS-S		
All kw Rate (\$/kW)	(\$0.187800)	(\$0.333900)
LGS-S		
All kw Rate (\$/kW)	(\$0.140100)	(\$0.249000)
GS-P		
All kw Rate (\$/kW)	(\$0.117300)	(\$0.208500)
GS-T		
All kw Rate (\$/kW)	\$0.000000	\$0.000000
OL		
Per Lamp	(\$0.19)	(\$0.35)