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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: Docket No. 17-0978: Delmarva Power & Light Company’s Application for an EDIT Rate Change Pursuant to 26 Del. C. §§ 303(b) and 304**

Dear Secretary Nickerson,

Pursuant to 26 Del. C. §§ 303(b) and 304 and Order No. 9269 in the above-captioned docket, Delmarva Power & Light Company (“Delmarva” or the “Company”) is amending the application filed September 16, 2022 to modify its gas 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. 17-0978 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 November 30, 2018. The rate refund provided to customers from Docket No. 17-0978 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. 17-0978 indicated \$4.9 million (excluding interest) was refunded, of which approximately \$2.3 million was related to Rider EDIT. The Company implemented the Rider EDIT component in its billing system on December 1, 2018.

Pursuant to Section II 1 (c) (iv) through Section II 1 (c) (vii) of the Settlement Agreement in Order No. 9269 in Docket No. 17-0978 (approved on November 8, 2018), Delmarva is providing its intent to set certain Rider EDIT service classifications to zero (\$0.000000) as found on its Gas Tariff Leaf No. 84 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.

| <b>Service Classification</b>                                      | <b>Effective Date</b> |
|--|-----------------------|
| <b>Residential Gas Sales Service (“RG”):</b><br>5-Year EDIT Credit | January 1, 2023       |
| <b>Residential Gas Sales Service (“RG”):</b><br>6-Year EDIT Credit | January 1, 2023       |

For ease of reference, below are the applicable subparts of Section II 1 (c) of the Settlement Agreement in Docket No. 17-0978 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.

The 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. 17-0978 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, the Five Year non-protected, non-property balances under service classification RG will reduce the remaining regulatory liability for the Six Year non-protected, property balances under service classification RG. This methodology allows 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 Gas Tariff Leaf No. 84, effective January 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](mailto:dawn.crompton@exeloncorp.com) or Diane Goff at [diane.goff@pepcoholdings.com](mailto:diane.goff@pepcoholdings.com).

Respectfully submitted,



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  
NATURAL GAS 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 “RG”, “RGSH”, “GG”, “GL”, “MVG”, “LVG”, “LVG-QFCP-RC”, “GVFT”, “MVFT”, “LVFT”.

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<br><u>Non-Property Related</u> | Six Year EDIT Credit<br><u>Property Related</u> |
|---|--|---|
| RG  |  |   |
| All CCFs Rate (\$/CCF)                    | \$0.000000   | \$0.000000                                      |
| RGSH                                      |  |   |
| All CCFs Rate (\$/CCF)                    | (\$0.013440)   | (\$0.024220)                                    |
| GG  |  |   |
| All CCFs Rate (\$/CCF)                    | (\$0.009570)   | (\$0.017250)                                    |
| GL  |  |   |
| Per Lamp (Assumes 15 CCF Usage)           | (\$0.15)   | (\$0.27)  |
| MVG                                       |  |   |
| All MCFs Rate (\$/MCF)                    | (\$0.049890)   | (\$0.089880)                                    |
| LVG                                       |  |   |
| All MCFs Rate (\$/MCF)                    | (\$0.022370)   | (\$0.040300)                                    |
| LVG-QFCP-RC                               |  |   |
| Per MCF of Billing MDQ<br>(\$/MCF of MDQ) | (\$0.154540)   | (\$0.278410)                                    |
| GVFT                                      |  |   |
| All CCFs Rate (\$/CCF)                    | (\$0.009570)   | (\$0.017250)                                    |
| MVFT                                      |  |   |
| All MCFs Rate (\$/MCF)                    | (\$0.049890)   | (\$0.089880)                                    |
| LVFT                                      |  |   |
| All MCFs Rate (\$/MCF)                    | (\$0.022370)   | (\$0.040300)                                    |

Order No.  
Docket No. 17-0978

Filed: October 31, 2022  
Effective with Usage On and After January 1, 2023

Amended Proposed

DELMARVA POWER & LIGHT COMPANY  
NATURAL GAS 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 “RG”, “RGSH”, “GG”, “GL”, “MVG”, “LVG”, “LVG-QFCP-RC”, “GVFT”, “MVFT”, “LVFT”.

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<br><u>Non-Property Related</u> | Six Year EDIT Credit<br><u>Property Related</u> |
|---|--|---|
| RG  |  |   |
| All CCFs Rate (\$/CCF)                    | <del>(\$0.020410)</del> <u>(\$000000)</u>            | <del>\$0.036760</del> <u>000000</u>             |
| RGSH                                      |  |   |
| All CCFs Rate (\$/CCF)                    | (\$0.013440)   | (\$0.024220)                                    |
| GG  |  |   |
| All CCFs Rate (\$/CCF)                    | (\$0.009570)   | (\$0.017250)                                    |
| GL  |  |   |
| Per Lamp (Assumes 15 CCF Usage)           | (\$0.15)   | (\$0.27)  |
| MVG                                       |  |   |
| All MCFs Rate (\$/MCF)                    | (\$0.049890)   | (\$0.089880)                                    |
| LVG                                       |  |   |
| All MCFs Rate (\$/MCF)                    | (\$0.022370)   | (\$0.040300)                                    |
| LVG-QFCP-RC                               |  |   |
| Per MCF of Billing MDQ<br>(\$/MCF of MDQ) | (\$0.154540)   | (\$0.278410)                                    |
| GVFT                                      |  |   |
| All CCFs Rate (\$/CCF)                    | (\$0.009570)   | (\$0.017250)                                    |
| MVFT                                      |  |   |
| All MCFs Rate (\$/MCF)                    | (\$0.049890)   | (\$0.089880)                                    |
| LVFT                                      |  |   |
| All MCFs Rate (\$/MCF)                    | (\$0.022370)   | (\$0.040300)                                    |

Order No. 9269  
Docket No. 17-0978

Filed: ~~May 23, 2019~~October 31, 2022  
Effective with Usage On and After ~~December~~January 1, 20182023

~~Filed in Compliance with Order No. 9269 in Docket No. 17-0978~~  
Revised  
Amended Proposed