

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE REGULATION )  
ESTABLISHING THE MINIMUM FILING )  
REQUIREMENTS FOR ALL REGULATED ) PSC REGULATION DOCKET NO. 4  
COMPANIES SUBJECT TO THE JURIS- )  
DICTION OF THE PUBLIC SERVICE )  
COMMISSION )  
(REOPENED DECEMBER 14, 2022) )

**ORDER NO. 10155**

**AND NOW**, this 14th day of December 2022, the Delaware Public Service Commission (“Commission”) determines and orders the following:

**WHEREAS**, the Commission has previously adopted “Minimum Filing Requirements for All Regulated Companies” (“Minimum Filing Requirements”) to ensure uniform content in many of the submissions made to the Commission, including applications for rate adjustments; and

**WHEREAS**, the Commission’s Staff seeks changes and additions to the Minimum Filing Requirements for the stated purpose of increasing the procedural and practical efficiency of its oversight of the ratemaking process, and to lessen the administrative burdens of the same; and

**WHEREAS**, Staff is proposing changes to Parts A of the Minimum Filing Requirements as shown in Exhibit C attached; and

**WHEREAS**, the Commission believes that, in light of Staff’s Exhibit C, the provisions of the Minimum Filing Requirements to which those changes are directed should be re-examined and, if appropriate, amended; and

**WHEREAS**, under 26 *Del. C.* § 209(a), the Commission may “[f]ix just and reasonable standards, classifications, regulations, practices, measurements, or services to be furnished, imposed, observed, and followed thereafter by any public utility. . .;” and

**WHEREAS**, the Commission desires to give public notice, pursuant to 29 *Del. C.* §§ 1133, 10115, and 10118(a), of its intention to re-examine the subject Part A of the Minimum Filing Requirements, and to solicit comment concerning the efficacy, reasonableness, and propriety of Staff’s proposed changes.

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF NO FEWER THAN THREE COMMISSIONERS:**

1. That the Secretary of the Commission shall transmit to the Registrar of Regulations for publication in the Delaware Register the notice attached hereto as Exhibit “A.”. Such notice shall be accompanied by a copy of the proposed and existing Minimum Filing Requirements (Exhibits “B” and “C”)

2. That the Secretary of the Commission shall cause the notice attached hereto as Exhibit “A” to be published in *The News Journal* and *Delaware State News* newspapers on or before January 1, 2023, omitting, however, the notice’s reference to documentary exhibits, and omitting such documentary exhibits themselves.

3. That the Secretary shall cause the notice attached hereto as Exhibit “A” (as modified pursuant to paragraph 2 above) to be sent by e-mail to all Class A public utilities who currently file rate applications under Parts A of the Minimum Filing Requirements for All Regulated Companies Subject to the Jurisdiction of the Commission and all persons who have made timely written requests for advance notice of the Commission’s regulation-making proceedings.

4. That Glenn Kenton is designated as the Hearing Examiner for this matter pursuant to 26 *Del. C.* §502 and 29 *Del. C.* 101, and is authorized to organize, classify, and summarize all materials, evidence, and testimony filed in this docket, to conduct the public hearing contemplated under the attached notice, and to make proposed findings and recommendations to the Commission concerning Staff's proposed changes on the basis of the materials, evidence, and testimony submitted. Hearing Examiner Kenton is specifically authorized, in his discretion, to solicit additional comment and to conduct, on due notice, such public hearings as may be required to develop further materials and evidence concerning any later-submitted proposed changes. James Mc. Geddes, Esquire, is designated as Staff Counsel for this matter.

5. That the public utilities regulated by the Commission are notified that they may be charged for the cost of this proceeding under 21 *Del. C.* § 114.

6. 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:**

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Dallas Winslow, Chairman

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Joann Conaway, Commissioner

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Harold Gray, Commissioner

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Manubhai "Mike" Karia, Commissioner

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Kim F. Drexler, Commissioner

ATTEST:

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Donna Nickerson, Secretary

# **EXHIBIT “A”**

## **EXHIBIT “A”**

### **BEFORE THE PUBLIC SERVICE COMMISSION**

#### **NOTICE OF COMMENT PERIOD AND PUBLIC HEARING**

#### **ON PROPOSED CHANGES TO THE MINIMUM FILING REQUIREMENTS**

In 1981, the Delaware Public Service Commission (the “Commission” or “PSC”) adopted “Minimum Filing Requirements for All Regulated Companies” to govern applications to the Commission by regulated public utilities. Parts A of the Minimum Filing Requirements describe the filing and content of rate increase applications made by large utilities subject to the Commission’s jurisdiction. These portions of the Minimum Filing Requirements are reproduced in their present form as Exhibit “B”.

Rate increase applications submitted to the Commission are reviewed and evaluated by the Commission’s Staff for the justness and reasonableness of the rates proposed. The Commission is informed by Staff that, in recent years, the frequency and number of such applications has increased significantly, resulting in a corresponding increase in the administrative burdens associated with Staff’s review. Staff has also identified certain practices that tend to add significantly and unreasonably to these administrative burdens. According to Staff, these practices typically involve changes made by the utility to data on which the application relies, including changes to the test year (as that term is used in the Minimum Filing Requirements) and changes in rate base items, expenses, or revenues. Staff contends that the burden occasioned by such practices is most severe where multiple and material changes are made at different points in time during the pendency of a single application. Staff further contends that, where such changes are sought, they are often of a type that is avoidable through the applicant’s exercise of ordinary diligence in preparing its rate increase application.

Staff now seeks certain changes and additions to Parts A to the Minimum Filing Requirements that are designed to curtail the undesirable practices. In this way, the efficiency of the rate review process will be increased, and its administrative burdens reduced. The text of the proposed Minimum Filing Requirements, as

modified by Staff's changes and additions, is attached as Exhibit "C" The Commission has authority to issue such rules, and to effect the proposed changes and additions, under 26 *Del. C.* § 209(a).

Copies of the filing may be inspected at the Commission during normal business hours, or may be viewed by going to Delafile (<http://dep.sc.delaware.gov/>), the Commission's file management system, and by searching Reg. 4.

The Commission hereby solicits written comments, suggestions, compilations of data, briefs, or other written materials concerning Staff's proposed changes and additions to the Minimum Filing Requirements. These such materials shall be filed with the Commission in Delafile or can be mailed to its office located at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904. ***All such materials shall be filed on or before February 1, 2023.*** In addition, the Commission's duly appointed Hearing Examiner will conduct a public hearing concerning Staff's proposed changes and additions on February 16, 2023 at 10:00 AM in the Commission's hearing room at the above address.

The Minimum Filing Requirements, Staff's proposed changes and additions to the same, and the materials submitted in connection therewith will be available for public inspection and copying at the Commission's Dover office during normal business hours. The fee for copying is \$0.25 per page.

Any individual with disabilities who wishes to participate in these proceedings should contact the Commission to discuss any auxiliary aids or services needed to facilitate such review or participation. Such contact may be in person, by writing, telephonically (including use of the Telecommunications Relay Service), or otherwise. The Commission's toll-free telephone number in Delaware is (800) 282-8574. Persons with questions concerning this application may contact the Commission by either Text Telephone ("TT") or by regular telephone at (302) 736-7500.

**EXHIBIT "B"**

## Public Service Commission

 [Authenticated PDF Version](#)

# 1002 Minimum Filing Requirements for All Regulated Companies Subject to the Jurisdiction of the Public Service Commission

## General Information

### Background

Over the course of the past few years the number of applications filed with the Commission for an increase in utility rates, changes in cost adjustment clauses, and security certificates have increased dramatically. Heretofore, utilities coming before the Commission filed varying amounts of data, primarily financial data, in support of its application and is seldom, if ever, in a uniform format. Frequently it is necessary for the Commission Staff to request substantial amounts of additional data through the interrogatory process in order to evaluate applications and/or an inordinate amount of technical hearing time is required to adduce needed data.

Furthermore, the Commission intends to more closely monitor the financial performance of Delaware utilities on a continuing basis and also is required to report certain information annually to Federal agencies and others which frequently requires surveys and/or telephone calls to the utilities to obtain such data.

### Purpose of Minimum Filing Requirements

The Commission believes that the adoption of Minimum Filing Requirements for all utilities is in the public interest. The primary purpose of prescribing Minimum Filing Requirements is to expedite action on the many applications of utilities in the State. Action will be expedited if most of the basic supporting information is furnished at the time of the filing of an application rather than being supplied in response to interrogatories or otherwise brought out on a piecemeal basis in time-consuming technical hearings. Furthermore, the Commission believes it is desirable to standardize, to the greatest extent possible, the format for the presentation of financial and operating data to the Commission for ease of understanding and comprehension by all parties involved.

### Compliance With Minimum Filing Requirements

It is intended that the required information be furnished in accordance with the format and instructions furnished herein. If exceptions are requested or proposed, they should be fully explained and justified. Exceptions may be granted if good cause is shown by the utility. The Commission Staff will review all filings for compliance with the format and instructions furnished herein and notify the utility within 15 days after the date of filing of any defects in compliance. The utility after such notification by the Commission Staff will then have 15 days to correct these defects.

## **General Rate Increase Defined**

For the purpose of compliance with the Minimum Filing Requirements, a general rate increase is generally defined as an application by a regulated company for an increase in rates which meets one or more of the following guidelines:

1. Any increase in base rates for the basic service rendered (other than cost adjustment clauses - Part C);
2. Any rate change which would increase jurisdictional operating revenues by more than 1%; and
3. Any tariff change which would impact more than 1% of the existing customers but may have no overall revenue effect.

The following generally would not meet the criteria set forth above:

1. A tariff filing reflecting a change in text without a change in rate;
2. A tariff filing to establish a rate for a new service;
3. A tariff filing to change or increase a single non-recurring charge; and
4. Any changes in rates for non-jurisdictional services.

Following is a brief description of the various sections of the Minimum Filing Requirements:

### **Part A - Rate Increase Applications - Major Utilities**

Part A applies to utilities or divisions thereof with annual gross intra-State revenues of \$1 million or more (at time of filing). When an application is made for a general rate increase, utilities with less than \$1 million of annual intra-State revenues, but which would exceed \$1 million if the proposed rates were to become effective, are subject to Part A of these regulations.

### **Part B - Rate Increase Applications - Small Utilities**

Utilities with less than \$1 million of annual gross intra-State revenues are subject to Part B when an application is made for a general rate increase.

### **Part C - Cost Adjustment Clauses - All Utilities**

This section has never been promulgated.

### **Part D - Issuance of Securities - All Utilities**

All utilities which are required to obtain Commission approval for the issuance of securities, such as common stock, preferred stock, or long-term debt, are required to comply with the requirements of Part D at the time application is made for issuance of securities.

## **Part E - Quarterly Reporting Requirements - Major Utilities**

All major utilities, except Bell Atlantic-Delaware, Inc., subject to the jurisdiction of the Commission (i.e., those with annual gross intra-State revenues of \$1 million or more) are required to file quarterly information in accordance with the instructions in Part E. Such utilities should file the required financial data relative to the twelve months ended each calendar quarter not later than 60 days following the reporting quarter. No quarterly reporting is required for any utility whose annual gross intra-State revenues are less than \$1 million.

## **Part F - Annual Reporting Requirements - Small Utilities**

All small utilities subject to the jurisdiction of the Commission are required to file annually in accordance with the applicable section of Part F. Such utilities are required to file the required financial data relative to each calendar year not later than March 31 of the year following the reporting year.

## **Part G - Expedited Rate Change for Purchased Water and Electricity Costs by Class A Water Companies**

### **1002 Part A - Rate Increase Applications - Major Utilities**

#### **1.0 Instructions**

##### **1.1 Prefiling Announcement**

In order for the Commission to schedule its future workload in an efficient manner, every public utility shall file with the Commission a Notice of Intent to file a general rate increase application not less than two (2) months prior to filing its application or notice of increase. This notice must include, in addition to the statement of intent to file, the dates of proposed test year and test period. If a regulated company cancels, changes or delays a proposed general rate increase application previously reported to the Commission, an amended report must be filed promptly reflecting such change of plans.

##### **1.2 Test Year and Test Periods**

1.2.1 Test Year Defined. The test year is the actual historical period of time for which financial and operating data will be required. The test year data must include the actual "Per Books" results of operation for a 12-month period at the end of a reporting quarter. In addition, the twelve-month period must end no later than seven months prior to the filing of the application, but no sooner than one month after the final closing of the test year (post reversal of accrual entries), so that actual expenditures are reflected in the books of account. For example, if the actual results of operations for the twelve months ending March 30, 200x, are used for the purposes of the test year, the application must be filed no sooner than April 30, 200x, but no later than October 31, 200x.

##### **1.2.2 Test Period Defined.**

1.2.2.1 The test period consists of twelve consecutive months ending at the

end of a reporting quarter utilized by the utility to support its request for relief. The test period may be the same as the test year or may include some of the months included in the test year and some months projected, such as six months "actual" and six months "projected", but may not include more than nine months "projected".

### 1.2.3 Updating Projected Test Periods.

1.2.3.1 If the filed test period is other than the test year (historic period), three additional months of projected total company data as filed shall be updated to actual total company data and provided to Staff and all parties within sixty days after the close of the quarter, unless a later date for submitting this additional data is otherwise ordered by the Hearing Examiner.

### 1.3 Testimony and Exhibits.

1.3.1 Prepared direct testimony and supporting exhibits must be filed coincident with the filing of the applications for rate relief. This filing requirement shall not prohibit the utility from subsequently submitting further testimony and exhibits in a timely fashion as necessary or proper to address issues raised during investigation of the application; nor shall it (or 1.2., above) prohibit the utility from also proffering an exhibit or exhibits in the form of a fully projected test period (in addition to the test period described in 1.2.2. above), provided

1.3.1.1 such period shall consist of twelve consecutive months ending not later than the end of the first year during which the proposed rates are to become effective;

1.3.1.2 it is supported by relevant testimony establishing a verifiable link between the test period defined in section 1.2.2. and the projected test period; and

1.3.1.3 it is in format consistent with such test period.

Modifications in test period data occasioned by reasonably known and measurable changes in current or future rate base items, expenses (i.e., labor costs, tax expenses, insurance, etc.) or revenues may be offered in evidence by the utility at any time prior to its filing of rebuttal evidence; provided, however, that if any party makes timely objection to the proffered modifications, such objections shall be promptly presented to the Commission, the Presiding Officer or Hearing Examiner for a decision on due consideration of the parties' respective positions. For purposes of section 1.3, an objection shall be timely if made within five (5) business days of the utility's proffer of modifications.

Notwithstanding anything to the contrary in 1.3, the Commission, Presiding Officer or Hearing Examiner may permit the utility to offer in evidence the modifications contemplated hereunder simultaneously with the filing of rebuttal evidence, where extraordinary circumstances and the interests of justice so warrant.

### 1.4 Due Date

The information required in subsequent sections of Part A is to be filed with the Commission at the time of the utility's application for an increase in rates.

## 1.5 Penalty for Non-Compliance

The Commission Staff will review all filings for compliance with the format and instructions furnished herein and, within fifteen (15) days after the date of filing, specifically identify any noncompliance with such format and instructions, and immediately request the Commission's Secretary to promptly notify the utility of the alleged defects in compliance. Following such notification by the Commission's Secretary, the utility shall have fifteen (15) days within which to correct the alleged defects; and only upon the utility's filing of the corrected application shall such application be deemed filed with the Commission for the purposes contemplated under the Public Utilities Act. In the event the alleged defects are not corrected within the time provided hereunder, Staff may move the Commission to reject the utility's application for non-compliance with these Minimum Filing Requirements.

Nothing in section 1.5 shall prevent a utility from filing an application in draft form for Staff's informal review and approval without prejudice, such informal review and approval not to be unreasonably withheld by Staff; nor shall section 1.5 affect or delay the filing date, for the purposes contemplated under the Public Utilities Act, of rate applications that comply with the format and instructions furnished herein, or whose non-compliance with such format and instructions is deemed minor by the Commission or its Staff.

## 1.6 General Guidelines

1.6.1 Schedules shown are for illustrative purposes and may be modified to fit the individual company as long as the data intent is complied with. The burden of proof remains by Statute on the utility; therefore, if applicant utility believes that additional information is necessary to support its case or is proposing a position which requires a departure from the basic schedules, the utility should supplement the standard filing requirements as required to support its position.

1.6.2 The Commission may require utilities to supply information to supplement these minimum requirements during the course of the staff investigation of a specific case. The utility will be required to provide a duplicate copy of any such information requested by Staff to all intervenors to the proceeding as directed by the Commission. It is, however, the intent of the Commission in establishing minimum filing requirements to minimize the subsequent interrogatories and data requests.

1.6.3 All schedules submitted to the Commission shall be typed and shall contain the name of the planned witness who will testify to the accuracy of the data.

1.6.4 Supportive work papers must be made available for Staff inspection upon request subsequent to the filing.

1.6.5 If required data has been previously filed, it may be incorporated by reference.

1.6.6 All data, statements and exhibits filed pursuant to these minimum filing requirements shall be identified by paragraph designation for which they are submitted.

1.6.7 Trade secrets, proprietary or otherwise privileged information of the utility shall

be made available pursuant to these Rules only upon a showing of good cause and pursuant to a protective order of the Commission.

1.6.8 The Commission will require 10 copies of the application for rate relief and the accompanying prepared testimony and supporting exhibits.

1.6.9 All test year data, test period and data offered for any other time period will be presented in a format consistent with the uniform System of Accounts unless otherwise ordered by the Commission.

## **2.0 General Information**

### **2.1 Description of Company - If Presently Not On File With Commission**

2.1.1 Provide a corporate history including dates of incorporation, subsequent acquisitions and /or mergers.

2.1.2 Describe completely all relationships between applicant utility and its parent, subsidiaries and affiliates. Furnish a chart or charts which depict(s) the inter-company relationships.

2.1.3 Provide a system map indicating all cities and counties and other government subdivisions to which service is provided.

2.1.4 Provide a statement of reasons for the proposed increase including an explanation of the major factors which gave rise to the decision to seek a rate adjustment. Also include an estimate of the dollars associated with each such major factor such as "Wage Increase \$50,000" or "Increase in Chemical Expense \$100,000". A detailed reconciliation of each and every item is not required, just the principal items and an estimate of the dollar impact, to the extent possible.

2.1.5 Provide a statement identifying any significant element of the application which to the applicant's knowledge represents a departure from prior decisions of the Commission and the associated revenue requirement. This would include proposed accounting changes or accounting changes that have occurred since the last rate Order.

### **2.2 Plant Capacity and Service**

2.2.1 Electric Utilities: Provide an explanation of the system's operation and state plans for any future expansion or modification. Provide schedules relating to generating capacity as follows:

2.2.1.1 A schedule showing latest projections of capacity additions and retirements for the next ten years by unit of generation.

2.2.1.2 A schedule showing reserve capacity at the time of the projected daily system peak for the next ten years and indicate growth rate incorporated in arriving at such peak load projections.

2.2.2 Gas Utilities: Provide an explanation of the system's operation, and state

plans for any future expansion or modification of facilities. Describe how respondent obtains gas supply as follows:

2.2.2.1 Explain how respondent stores or manufactures gas.

2.2.2.2 Describe the potential for emergency purchases of gas.

2.2.2.3 Provide the amount of gas in MCF supplied by each of various suppliers in the test year.

2.2.2.4 Provide plans for future gas supply.

2.2.2.5 Indicate any existing or anticipated curtailments and explain reasons for same.

2.2.3 Telephone: State all major current service objectives and indicate any areas where present service does not meet current internal service objectives. Provide schedules as follows:

2.2.3.1 Provide a schedule showing each central office, the type of equipment, i.e., SXS, ESS, etc., installed capacity in lines, equivalent lines in use, and estimated date of replacement.

2.2.4 Water: Provide a description of all major utility property including an explanation of the system's operation and all plans for any major future expansions or modifications of facilities in the next five years. Provide a system map showing pumping stations, purification, and/or filter plants, reservoirs, wells, springs, booster stations, standpipes, distribution mains and transmission mains. A description of the present and projected supply of water should also be provided.

2.2.5 Cable Television: Provide a description of all major system property. Provide a system map showing the location of antennas, headend, earth station and major cable distribution plant. State plans for future system expansion including miles of cable to be added, number of homes passed, expected saturation levels (including basic and premium services) for the next five years.

## 2.3 Amount and Percent of Increases

2.3.1 A schedule showing the dollar amount of the increase by category of service, customer class, or type of service rendered as appropriate and also showing the percent increase over present revenues in the same categories.

## 3.0 Financial Results of Operations

### 3.1 Financial Summary

3.1.1 An overall financial summary must be furnished on Schedule No. 1. The "rate base" calculation for the purposes of the test year should reflect book figures. The extent additional "calculated" amounts are referenced, e.g., Cash Working Capital, these amounts should be consistent with the methodology employed for the test period rate base

calculation.

3.1.2 Jurisdictional versus Total Company Results. In the event the total company results are different from the results applicable to the Delaware jurisdiction, then two schedules shall be submitted and designated as schedule 1A, covering the entire company, and Schedule 1B, covering the Delaware jurisdictional results.

### 3.2 Supporting Documents

3.2.1 The following documents must be filed with the application if presently not on file with the Commission:

3.2.1.1 Annual Report to Stockholders for applicant, its subsidiaries and its parent for last five years.

3.2.1.2 Annual Reports to Federal Regulatory jurisdictions, such as FERC, REA, FCC, etc., as applicable.

3.2.1.3 SEC 10K Reports for last five years and most recent SEC 10Q Report for applicant or parent. If both applicant and parent have public stockholders, submit for both.

3.2.1.4 Most recent proxy statement for applicant or parent. If both applicant and parent have public stockholders, then submit for both.

3.2.1.5 All securities prospectuses for applicant and parent for most recent five-year period.

## 4.0 Rate Base

### 4.1 Rate Base Defined

26 **Del.C.** § 102(3) defines Rate Base as follows:

"(3) **Rate base**" means:

a. The original cost of all used and useful utility plant and intangible assets either to the first person who committed said plant or assets to public use or, at the option of the Commission, the first recorded book cost of said plant or assets; less;

b. Related accumulated depreciation and amortization; less;

c. The actual amount received and unrefunded as customer advances or contributions in aid of construction of utility plant, and less;

d. Any accumulated deferred and unamortized income taxes and investment credits related to plant included in paragraph a. above, plus;

e. Accumulated depreciation of customer advances and contributions in aid of construction related to plant included in paragraph a above and plus;

f. Materials and supplies necessary to the conduct of the business and investor supplied cash working capital, and plus;

g. Any other element of property which, in the judgment of the Commission, is necessary to the effective operation of utility."

#### 4.2 Jurisdictional Rate Base Summary

4.2.1 Submit a jurisdictional rate base summary on Schedule 2.

4.2.2 Indicate on schedule 2 in the column titled "26 **Del.C.** §102(3) Letter Ref." the appropriate letter reference designating the Section of the Code upon which the applicant relies for the inclusion of each item in Rate Base as set forth in 4.2.1 above.

#### 4.3 Used and Useful Utility Plant

4.3.1 Submit schedules showing plant in service by major plant categories for total company, as allocated to this jurisdiction with adjustments, if any are proposed. This data shall be submitted as Schedule 2A.

4.3.2 Where rate base is computed using a twelve-month average, this data will be needed for the end of each month included in the calculation.

4.3.3 Where rate base is allocated among jurisdictions, indicate the basis for the allocation factors used.

4.3.4 Adjustments proposed must be fully explained.

#### 4.4 Intangible Assets

4.1.1 If intangible assets are claimed in rate base, complete Schedule No. 2B.

4.1.2 Provide a statement of the specific reasons for inclusion in rate base.

#### 4.5 Accumulated Depreciation and Amortization

4.5.1 Submit schedules showing accumulated reserve for depreciation by major plant categories on Schedule No. 2C if records permit.

4.5.2 When rate base is computed using a twelve-month average, this data will be needed for the end of each month included in the calculation.

4.5.3 When rate base is allocated among jurisdictions, indicate the basis for the allocation factors used.

4.5.4 Adjustments proposed must be fully explained.

#### 4.6 Unrefunded Customer Advances and/or Contributions in Aid of Construction

4.6.1 Provide a schedule showing the actual amounts at the beginning and end of the test year and test period.

4.6.2 If estimated amounts are included, explain the basis of such estimate.

#### 4.7 Accumulated Deferred Income Taxes and Unamortized Investment Credit

4.7.1 Provide a complete analysis of all deferred income taxes on Schedule No. 2D. Provide one schedule each for Federal Income Taxes and an additional schedule for State Income Taxes.

4.7.2 The specific deferred income taxes shown on Schedule 2D lists some but not necessarily all deferred income taxes that may be applicable to a particular utility, hence the accounts shown should be modified as appropriate.

4.7.3 Provide a statement which fully explains the utility's deferred tax accounting practices, i.e., the basis upon which annual tax deferrals are determined and the basis upon which deferred tax reserves are charged or credited to current period.

4.7.4 Provide the amount of amortization of Investment Tax Credit and/or Job Development Credit included as a reduction of Income Tax Expense in the test year.

4.7.5 Provide the amount of ITC or JDC available but not utilized as of the end of the test year.

#### 4.8 Accumulated Depreciation of Customer Advances and Contributions in Aid of Construction

4.8.1 Provide a statement which describes the accounting procedures used to segregate depreciation reserves between investor provided and contributed property.

4.8.2 Provide a Schedule showing the actual amounts at the beginning and end of the test year and test period.

4.8.3 If estimated amounts are included, explain the basis of such estimates.

#### 4.9 Material and Supplies

4.9.1 If a claim is made for Material and Supplies, provide a Schedule showing the balance in each of the major groupings of material and supplies for each of the twelve months preceding the test year, for the test year and for the test period.

4.9.2 If estimated balances are included, explain the basis for such estimates.

4.9.3 Explain any unusual fluctuation for the period of time for which monthly balances are included.

#### 4.10 Investor Supplied Cash Working Capital

4.10.1 Complete Schedule 2E showing the components of investor supplied cash working capital included in the rate base claim.

4.10.2 Other items. If any other items are included in the working capital claim, provide a full and complete explanation in support thereof including the calculation which

demonstrates the amounts so included as investor-provided funds with reference to 26 **Del.C.** §102(3).

#### 4.11 Other Element of Property

4.11.1 Schedule 2F shall be completed to provide the amount, description and justification for inclusion in rate base.

4.11.2 Provide a statement of the specific reasons for inclusion in rate base with reference to 26 **Del.C.** §102(3).

4.11.3 If a rate base claim is made for property under construction but not used and useful in whole or in part during the test period, provide a schedule showing each major project and indicate whether or not the project will add capacity or replace existing capacity or both. If major units of capacity are being added, show in calculation the additional revenue expected to be realized. If major units of capacity are being retired, indicate the type of property, its original cost, accumulated reserves for depreciation and the expected date of retirement from service.

### **5.0 Net Operating Income**

#### 5.1 Jurisdictional Summary of Net Operating Income

5.1.1 Submit a jurisdictional summary of net operating income on Schedule No. 3 for the test year on an actual basis and for the test period.

#### 5.2 Revenues

5.2.1 Submit a schedule showing operating revenues by major revenue category, including other operating revenues and uncollectible operating revenues, for the test year, and for the test period. This data shall be submitted on Schedule 3A.

5.2.2 Electric, Gas and Water Utilities. For each tariff rate, submit a schedule showing the volume of tariff unit sales for two years preceding the test year, the test year, and the test period. For the purpose of this section, the volume of tariff unit sales means:

Electric - KWH sold

Gas - MCF sold

Water - Gallons sold and hydrant fees.

5.2.3 Provide a schedule showing the dollar revenues associated with the unit volume shown in Section V.B.2. Electric and gas utilities should show Fuel and Gas Adjustment revenues separately by customer class.

5.2.4 Telephone and Cable Television Companies. For each tariff rate revision, submit a schedule showing the number of units in service consistent with the test year and/or the test period. Opposite the units in service show the present and proposed rates for service and the present and proposed revenues.

5.2.5 If test period volumes of sales or tariff units are based on an estimate or forecast, provide a full and complete explanation of the basis and assumptions underlying such forecast, including weather assumptions and any price elasticity effects.

5.2.6 Adjustments to test period revenues should be fully detailed and explained including all mathematical calculations related thereto. This information should follow Schedule 3A with appropriate adjustments referenced to the amounts shown on Schedule 3A.

### 5.3 Operating Expenses

5.3.1 Submit a schedule showing operating expenses, by major expense category for the test year and for the test period. This data shall be submitted on Schedule 3B.

5.3.2 Adjustments to test period operating expenses should be fully detailed and explained including all mathematical calculations related thereto. This information should follow Schedule 3B with appropriate adjustments referenced to the adjustment amounts shown on Schedule 3B.

5.3.3 Copies of invoices should be attached for raw materials purchased at prices higher than those experienced during the test year and an adjustment is made where a future test period is not used.

5.3.4 Submit a Schedule 3C showing test year and test period payroll and employee benefit experience. The expense portion of the total payroll costs should equal the payroll and benefit expense included in the various categories of Schedule 3B.

5.3.5 Complete Schedule 3D for the five highest paid executives showing the most recently approved base salary and the value of other benefits on an annual basis using the most recent actual data available.

5.3.6 Provide a statement of procedures used for determining depreciation rates utilized to compute the depreciation expense claim (Schedule 3B), including a statement of the depreciation rates either approved by or implicit in the rate determination made by the Commission in the last rate proceeding. Provide a schedule showing the calculation of claimed depreciation expense by major plant categories (if not provided in the detailed supporting adjustments in Item C(2)) if available.

5.3.7 Provide a copy of the most recent depreciation study that is relied on to support the depreciation rates used for the purpose of Schedule 3B if a change in depreciation rates is proposed.

5.3.8 Electric utilities only shall submit the following for the most recent actual twelve-month period preceding the test year and for the test year and test period.

5.3.8.1 A schedule showing the KWH generated by generation unit along with the applicable fuel, other and maintenance expenses.

5.3.8.2 A detailed analysis of power purchased from others including KWH

purchased and cost.

5.3.8.3 A detailed analysis of interchange power transactions setting forth separately purchased power and power sold and the dollars associated with each.

5.3.8.4 A schedule showing the details of any temporary capacity sales or purchases.

5.3.8.5 If deferred fuel cost policy is followed, describe the procedure and state manner in which amount of deferred fuel cost on balance sheet at end of most recent twelve-month period reported was determined and state in which month such fuel expense was incurred. Provide amount included in test year expense which is derived from deferred fuel cost.

5.3.8.6 Submit a schedule showing fuel cost in excess of base compared with fuel cost recovery by months for the most recent twelve-month period and for the test year.

5.3.8.7 Provide a reconciliation of total KWH generated, purchased or required through interchange with total KWH sold for resale, retail, interchange, interdepartmental use, system losses, etc.

5.3.9 Furnish test year summary of sales promotion, advertising and miscellaneous sales expenses on Schedule 3E. Classify advertising expense by purpose, i.e., product or service promotion, service aids, personnel and institutional.

5.3.10 Furnish a schedule of all test year contributions for educational or other charitable purposes which are included in the operating expense totals which applicant seeks to recover from rate payers on Schedule 3F.

5.3.11 Submit a statement showing amounts spent in test year and test period on influencing legislation both at the state and national levels which applicant seeks to recover from ratepayer. Where this activity is less than full time, furnish the basis for allocations of payroll and related costs.

5.3.12 Furnish a listing of all test year and test period dues paid or to be paid by the company for social and service clubs which applicant seeks to recover from ratepayer. Include costs paid directly by company for any executive or employee recreational or "conference" facilities. Complete Schedule 3G.

5.3.13 Provide an analysis of actual and project rate case expenses on Schedule 3H.

5.3.14 Provide a schedule by major expense category of all the amounts charged or credited from each affiliated company for the test year and the test period. Provide the basis of allocation or basis of charging. State whether there has been a change in allocation method or pricing formula since the last general rate case and, finally, describe the services or products provided in Delaware and the benefits of such arrangements.

5.3.15 Operating Taxes.

5.3.15.1 Complete Schedule 3I to agree with the amount shown on Schedule 3, line 12, for the test year and for the test period.

5.3.15.2 Complete Schedules 3J and 3K in support of the amount of current and deferred state and federal income tax claimed by the utility for ratemaking purposes as reflected in total on Schedule 3I.

5.3.15.3 Provide a statement of the utility's income tax accounting practice with respect to timing differences related to liberalized depreciation, the Asset Depreciation Range System, accelerated amortization and cost of removal and all other timing differences such as employee benefits and taxes capitalized.

5.3.15.4. Provide a statement of the utility's accounting practice with respect to Investment Tax Credits (ITC) and Job Development Credits (JDC) including a copy of all elections filed with the Internal Revenue Service related thereto.

5.3.15.5 Utilities which "normalize" all or any portion of ITC or JDC must complete Schedule 3L.

5.3.15.6 If the utility is part of an affiliated group of companies and its federal income tax return is filed as part of a consolidated federal income tax return, please provide a statement of the procedure used to allocate the consolidated federal income tax liability, the benefits of the consolidated return, and how those benefits are reflected on the utility's books.

5.3.15.7 Complete Schedule 3M for all other Federal, State and local taxes for the test year and for the test period

#### 5.4 Allowance for Funds Used During Construction (AFUDC)

5.4.1 Provide a schedule showing the following:

5.4.1.1 The AFUDC rate employed by the Commission in the last rate Decision.

5.4.1.2 The AFUDC rate used in each month from the end of the test period in the last case through the end of the test year and test period.

5.4.2 Provide a statement which describes the methodology employed to complete the AFUDC rates for all periods of time specified in 5.4.1 above.

5.4.3 Provide a statement which fully describes how the AFUDC is applied in the accounting procedures.

#### 5.5 Other Income

5.5.1 Provide a schedule which describes the nature and amount of each item of other income for the test year and test period.

### **6.0 Rate of Return**

## 6.1 Summary of Claimed Rate of Return

6.1.1 A summary report of the proposed fair rate of return shall be supplied on Schedule 4 which contains a weighted cost of capital analysis.

6.1.2 The Company's actual and estimated capital structure shall be submitted on Schedule 4A for the end of the test year and test period. A capital structure which is based on a time period beyond the test year should be accompanied by a statement of projected new issues and retirements.

## 6.2 Embedded Cost of Debt

6.2.1 Describe how short-term debt is allocated between rate base and non-rate base CWIP. Describe compensating balance requirements of credit line banks and supply documentation in support of such requirements. If the compensating balance requirements exceed the cash and float included in working capital claim, give a statement explaining the excess.

6.2.2 Complete Schedules 4B and 4C to show the composition of the embedded cost of long-term debt or provide the information in some other manner as the Company would normally develop such costs. Use the debt costs most appropriate to the capital structure adopted, e.g., if a test year end capital structure is used, use a test year end embedded cost analysis.

6.2.3 Describe long-term debt reacquisitions by company and parent company, if applicable, as follows: reacquisitions by issue by year; total gain by acquisitions by year; accounting of gain for income tax and book purposes.

6.2.4 In the event that applicant believes the true or economic cost of debt exceeds the nominal costs shown in Schedule 4C because of convertible features, sale with warrants or for any other reason, a full statement of the basis for this claim should be provided.

## 6.3 Embedded Cost of Preferred Stock

6.3.1 Complete Schedules 4D and E to show the cost of preferred stock. Use the preferred stock cost rates most appropriate to the capital structure adopted for cost of capital computations, i.e., if a test year end capital structure is used, use a test year end embedded cost analysis.

6.3.2 Describe preferred stock reacquisitions by company and by parent company, if applicable, as follows: reacquisitions by issue by year; total gain by acquisitions by year; accounting for gain for income tax and book for financial reporting purposes.

6.3.3 In the event that applicant claims a true or economic cost higher than the nominal rate shown in Schedule 4E due to convertibility or for any other reason, a full statement of the basis for this claim shall be furnished.

## 6.4 Common Equity Cost Rates

6.4.1 Provide data on all common equity public stock offerings (including registered secondary offerings) for the current year and for the previous five calendar years. Use Schedule form 4F.

6.4.2 Provide a summary statement of all stock dividends, splits or par value changes in last five years.

6.4.3 Provide comparative financial data on Schedules 4G and 4H for the test period without rate increase for the test year, for the most recent calendar year and for the next most recent calendar year.

6.4.4 Provide complete analysis and support of claimed common equity return rate.

6.4.5 State what coverage requirements or capital structure ratios are required in the most restrictive of applicable indentures and how these measures are to be computed.

#### 6.5 Parent-Subsidiary Relationship

6.5.1 Where applicant is a subsidiary of a parent corporation, the data provided for in Schedules 4A, B, C and D shall be provided for the parent company or on a consolidated basis as well as for applicant.

6.5.2 If applicant proposes to utilize the capital structure or capital costs of the parent company, or provide such data on a consolidated basis, the reasons for this claim must be fully stated and supported.

### **7.0 Gross Revenue Conversion Factor**

Provide a calculation on Schedule 5 to show how many dollars of gross revenue increase are required to realize \$1.00 of net return increase.

### **8.0 Rates and Tariffs**

8.1 Provide a copy of proposed Tariff Schedules

8.2 By appropriate marginal designation, in the proposed Tariff Schedules, classify proposed changes in accordance with code shown below:

C Changed Regulation

D Discontinued Rate or Regulation

I Increased Rate

N New Rate or Regulation

R Reduced Rate

S Reissued Matter

T Change in text without change in rate or regulation

8.3 Provide rationale for proposed tariff changes (other than across the board percentage increases).

8.4 Provide a cost-of-service study, showing rates of return by customer class or type of service rendered for the test year and for the test period, if available, at present and proposed rates.

8.5 For test period only, provide schedule, by customer classification or category of service, showing present revenues, pro forma adjustments, proposed increases and percent of increase.

8.6 Provide detailed calculation substantiating the adjustment for additional revenues from annualizing changes in customers and growth in use per customer during test year if applicable.

## E X H I B I T "C"

# 1002 Minimum Filing Requirements for All Regulated Companies Subject to the Jurisdiction of the Public Service Commission

### General Information

#### Background

~~Over the course of the past few years the number of applications filed with the Commission for an increase in utility rates, changes in cost adjustment clauses, and security certificates have increased dramatically. Heretofore, utilities coming before the Commission filed varying amounts of data, primarily financial data, in support of its application and is seldom, if ever, in a uniform format. Frequently it is necessary for the Commission Staff to request substantial amounts of additional data through the interrogatory process in order to evaluate applications and/or an inordinate amount of technical hearing time is required to adduce needed data.~~

~~Furthermore, the Commission intends to more closely monitor the financial performance of Delaware utilities on a continuing basis and also is required to report certain information annually to Federal agencies and others which frequently requires surveys and/or telephone calls to the utilities to obtain such data.~~

#### Purpose of Minimum Filing Requirements

The Commission believes that the adoption of Minimum Filing Requirements for all utilities is in the public interest. The primary purpose of prescribing Minimum Filing Requirements is to expedite action on ~~the many applications of utilities in the State utility applications for rate relief by clarifying the preliminary information necessary to investigate the applications.~~ Action will be expedited if most of the basic supporting information is furnished at the time of the filing of an application rather than being supplied in response to interrogatories or otherwise brought out on a piecemeal basis in time-consuming technical hearings. Furthermore, the Commission believes it is desirable to standardize, to the greatest extent possible, the format for the presentation of financial and operating data to the Commission for ease of understanding and comprehension by all parties involved.

#### Compliance With Minimum Filing Requirements

~~It is intended~~ The Commission intends that the required information be furnished in accordance with the format and instructions furnished herein. If exceptions are requested or proposed, they should be fully explained and justified. Exceptions may be granted if good cause is shown by the utility. The Commission Staff will review all filings for compliance with the format and instructions furnished herein and notify the utility within 15 calendar days after the date of filing of any defects in compliance. The utility after such notification by the Commission Staff will then have 15 calendar days to correct these defects. The filing date for the utility's application will be the date filed when the Staff confirms that all identified deficiencies have been remedied and the proposed rates have not changed as a result of the utility's correction of the identified deficiencies. If the utility fails to correct its deficiencies in the 15 calendar day period, Staff will notify the utility that the filing date of the application will be the date that all deficiencies are remedied.

If the utility files a supplemental application seeking approval of rates that are different from the rates proposed in the original application, the filing date will be the date of filing the supplemental application.

#### General Rate Increase Defined

~~For the purpose of compliance with the Minimum Filing Requirements, a~~ A general rate increase is generally defined as an application by a regulated company utility for an increase in rates which meets one or more of the following guidelines:

1. Any increase in base rates for the basic service rendered (other than cost adjustment clauses - Part C);
2. Any rate change which would increase jurisdictional operating revenues by more than 1%, and
3. Any tariff change which would impact more than 1% of the existing customers but may have no overall revenue effect.

The following generally would not meet the criteria set forth above:

1. A tariff filing reflecting a change in text without a change in rate;
2. A tariff filing to establish a rate for a new service;
3. A tariff filing to change or increase a single non-recurring charge; and
4. Any changes in rates for non-jurisdictional services.

Following is a brief description of the various sections of the Minimum Filing Requirements:

#### **Part A - Rate Increase Applications - Major Utilities**

Part A applies to utilities or divisions thereof with annual gross intra-State revenues of \$1 million or more (at time of filing). ~~When an application is made for a general rate increase, utilities~~ A utility with less than \$1 million of annual intra-State revenues, but ~~which~~ whose intra-State revenues would exceed \$1 million if the proposed rates were to become effective, ~~are~~ is subject to Part A of these regulations.

#### **Part B - Rate Increase Applications - Small Utilities**

Utilities with less than \$1 million of annual gross intra-State revenues are subject to Part B. ~~when an application is made for a general rate increase.~~

#### **Part C - Cost Adjustment Clauses - All Utilities**

This section has never been promulgated.

#### **Part D - Issuance of Securities - All Utilities**

All utilities which are required to obtain Commission approval for the issuance of securities, such as common stock, preferred stock, or long-term debt, ~~are required to~~ must comply with the requirements of Part D at the time application is made for issuance of securities.

#### **Part E - Quarterly Reporting Requirements - Major Utilities**

All major utilities, except ~~Bell Atlantic Delaware, Inc.~~ telecommunications and cable, subject to the jurisdiction of the Commission (i.e., those with annual gross intra-State revenues of \$1 million or more) ~~are required to~~ must file quarterly financial information ~~in accordance with the instructions in Part E, including balance sheet, rate base statement, income statement, and statement of revenues by detailed Uniform System of Accounts.~~ Such utilities should file the required financial data relative to the twelve months ended each calendar quarter not later than sixty (60) calendar days following the reporting quarter. ~~No quarterly reporting is required for any utility whose annual gross intra-State revenues are less than \$1 million. If the utility needs to request an extension, a letter should be sent to the Executive Director explaining the reason for such extension. All quarterly report filings shall be made via e-filing unless the utility obtains prior written permission from the Executive Director or Deputy Director.~~

#### **Part F - Annual Reporting Requirements - Small Utilities**

All small utilities subject to the jurisdiction of the Commission ~~are required to~~ must file annually in accordance with the applicable section of Part F. Such utilities are required to file the required financial data relative to each calendar year not later than March 31 of the year following the reporting year.

## **Part G - Expedited Rate Change for Purchased Water and Electricity Costs by Class A Water Companies**

- **Not in Effect.**

### **Part A - Rate Increase Applications - Major Utilities**

#### **1.0 Instructions**

##### **1.1 Prefiling Announcement**

In order for the Commission to schedule its future workload in an efficient manner, every public utility shall file with the Commission a Notice of Intent to file a general rate increase application not less than ~~two (2) months~~ sixty (60) calendar days prior to filing its application or notice of increase. This notice must include, in addition to the statement of intent to file, the dates of proposed test year and test period. If a regulated ~~company~~ utility cancels, changes or delays a proposed general rate increase application previously reported to the Commission, the utility must promptly file an amended report reflecting such change of plans.

##### **1.2 Application Requirement**

The utility must provide five (5) hard copies of the application for rate relief and the accompanying prepared testimony and supporting exhibits and workpapers to the Commission within seven (7) calendar days after filing its electronic filing.

##### ~~4.2~~ **1.3 Test Year and Test Periods**

###### ~~4.2.4~~ **1.3.1 Test Year Defined.**

1.3.1.1 The test year is the actual historical period of time for which financial and operating data will be required. The test year data must include the actual "Per Books" results of operation for a 12-month period at the end of a reporting quarter. In addition, the twelve-month period must end no later than seven months prior to the filing of the application, but no sooner than one month after the final closing of the test year (post reversal of accrual entries), so that actual expenditures are reflected in the books of account. For example, if the actual results of operations for the twelve months ending March 30, 200x, are used for the purposes of the test year, the application must be filed no sooner than April 30, 200x, but no later than October 31, 200x.

###### ~~4.2.2~~ **1.3.2 Test Period Defined.**

~~4.2.2.4~~ 1.3.2.1 The test period consists of twelve consecutive months ending at the end of a reporting quarter utilized by the utility to support its request for relief. The test period may be the same as the test year or may include some of the months included in the test year and some months projected, such as six months "actual" and six months "projected", but may not include more than nine months "projected".

###### ~~4.2.3~~ **1.3.3 Updating Projected Test Periods.**

~~4.2.3.4~~ 1.3.3.1 If the ~~filed~~ proposed test period is other than the test year (historic period), ~~three additional months~~ each quarter of projected ~~total-company~~ utility data as filed shall be updated to actual ~~total-company~~ utility data and provided to Staff and all parties within sixty days after the close of the quarter, ~~unless a later date for submitting this additional data is otherwise ordered by the Hearing Examiner.~~

1.3.4 Modifications to Test Period Data

1.3.4.1 Any modifications in test period data occasioned by reasonably known and measurable changes in current or future rate base items, expenses (i.e., labor costs, tax expense, insurance, etc.) or revenues must be offered in evidence by the utility at any time prior to or with its filing of rebuttal evidence, provided, however, that if any party objects to the proffered modifications within ten (10) calendar days, such objections shall be promptly presented to the Commission, the Presiding Officer or Hearing Examiner for a decision on due consideration of the parties' respective positions.

1.3.5 Matching of Average Year or Year End Test Period

1.3.5.1 There must be a consistent timing match between rate base items, expenses, and revenues. For example, if a utility proposes an average year rate base, all assets and liabilities (based on average year customers and usages) shall be expressed on an average year basis. If a utility proposes an end of year rate base, all assets, liabilities, expenses and revenues (based on end of year customers and usages) shall be expressed on an end of year basis.

1.4 Testimony and Exhibits.

~~1.3.1-1.4.1~~ Prepared direct testimony, and supporting exhibits, schedules, and all workpapers supporting the application must be filed coincident with the filing of the application for rate relief. This filing requirement shall not prohibit the utility from subsequently submitting further testimony and exhibits in a timely fashion as necessary or proper to address issues raised during investigation of the application, nor shall it (or 1.2., above) prohibit the utility from also proffering an exhibit or exhibits in the form of a fully projected test period (in addition to the test period described in 1.2.2. above), provided; however, no utility shall be permitted to raise an issue that it could have included and was not beyond the utility's control in its application and supporting testimony and exhibits.

~~1.3.1.2~~ it is supported by relevant testimony establishing a verifiable link between the test period defined in section 1.2.2. and the projected test period; and

~~1.3.1.3~~ it is in format consistent with such test period.

~~Modifications in test period data occasioned by reasonably known and measurable changes in current or future rate base items, expenses (i.e., labor costs, tax expenses, insurance, etc.) or revenues may be offered in evidence by the utility at any time prior to its filing of rebuttal evidence; provided, however, that if any party makes timely objection to the proffered modifications, such objections shall be promptly presented to the Commission, the Presiding Officer or Hearing Examiner for a decision on due consideration of the parties' respective positions. For purposes of section 1.3, an objection shall be timely if made within five (5) business days of the utility's proffer of modifications.~~

~~Notwithstanding anything to the contrary in 1.3, the Commission, Presiding Officer or Hearing Examiner may permit the utility to offer in evidence the modifications contemplated hereunder simultaneously with the filing of rebuttal evidence, where extraordinary circumstances and the interests of justice so warrant.~~

1.4 Due Date

~~The information required in subsequent sections of Part A is to be filed with the Commission at the time of the utility's application for an increase in rates.~~

1.4.2 All data, schedules, and exhibits filed pursuant to these Minimum Filing Requirements shall be indexed and cross-referenced to the particular section of the Minimum Filing Requirements.

1.4.3 All workpapers shall be cross-referenced to the schedule(s) to which they pertain.

1.4.4 If data or other information required by these Minimum Filing Requirements has been previously filed with the Commission it may be incorporated by reference; however, the utility must provide the date of the filing (if known), docket or report number (if applicable), or a valid website address from which the data or information may be retrieved.

1.4.5 The schedules shown in these Minimum Filing Requirements are for illustrative purposes and may be modified to fit the individual utility, if the utility provides the data required. The burden of proof remains by Statute on the utility; therefore, if a utility believes that additional information is necessary to support its case or is proposing a position which requires departure from the basic schedules, the utility must supplement these Minimum Filing Requirements in sufficient detail to support its position.

1.4.6 All test year account data, test period account data, and account data offered for any other time period must be presented in a format consistent with the Uniform System of Accounts unless otherwise ordered by the Commission.

1.4.7 All schedules and workpapers shall be provided in a spreadsheet format that can be imported in Excel or spreadsheet programs that Staff or the DPA is using. Schedules and workpapers in Excel or other spreadsheet format shall be filed in executable native format with all formulas and links intact. If links cannot be provided, proof of data must be provided.

1.4.8 All schedules and workpapers shall be provided in computer application format and shall be labeled so that the name of the utility witness proffering them can be determined. By proffering a schedule, the witness testifies to the accuracy of the data contained in that schedule.

1.4.9 Coincident with the filing of the application for rate relief, utilities that are regulated by the Federal Energy Regulatory Commission ("FERC") shall provide in spreadsheet format (i.e., Microsoft Excel) with formulas intact, a side-by-side comparison by FERC account to their FERC Form No. 1 or 2 for the 12-month historic year and all additional months of data beyond the historic test year that are included in the test period. Utilities shall provide detailed narrative explanations, as well as underlying support, for any variances.

1.4.10 Coincident with the filing of the application for rate relief, utilities that are regulated by the FERC shall provide in spreadsheet format (i.e., Microsoft Excel) with formulas intact, a side-by-side comparison by FERC account, to the FERC budgets for any months representing forecasted data. Utilities shall provide detailed narrative explanations, as well as underlying support, for any variances.

1.4.11 If a utility claims that any data, or information, required to be provided pursuant to these Minimum Filing Requirements is a trade secret, is proprietary information, or is confidential, the utility must specifically identify such data or information. A utility shall not apply a blanket label of confidentiality to entire pages of documents in which only portions of the material contained therein is confidential, but rather shall redact only the material on each page that it claims to be confidential. Challenges to a utility's claim that data or information is a trade secret, is proprietary, or is confidential shall be made pursuant to **26 Del.Admin.C. §1001.1.11.**

## 1.5 Penalty for Non-Compliance

The Commission Staff will review all filings for compliance with the format and instructions furnished herein and, within fifteen (15) calendar days after the date of filing, specifically identify any noncompliance with such format and instructions, and immediately request the Commission's Secretary to promptly notify the utility of the alleged defects in compliance. Following such notification by the Commission's Secretary, the utility shall have fifteen (15) calendar days within which to correct the alleged defects; and only upon the utility's filing of the corrected application shall such application be deemed filed with the Commission for the purposes contemplated under the Public Utilities Act. In the event the ~~alleged~~ identified defects are not corrected within the time provided hereunder, Staff may move the Commission to reject the utility's application for non-compliance with these Minimum Filing Requirements.

~~Nothing in section 1.5 shall prevent a utility from filing. A utility may submit~~ an application in draft form for Staff's informal review and approval without prejudice, such informal review and approval not to be unreasonably withheld by Staff; ~~nor shall section 1.5 affect or delay the filing date, for the purposes contemplated under the Public Utilities Act, of rate applications that comply with the format and instructions furnished herein, or whose non-compliance with such format and instructions is deemed minor by the Commission or its Staff.~~

## ~~1.6~~ ~~General Guidelines~~

- ~~1.6.1~~ ~~Schedules shown are for illustrative purposes and may be modified to fit the individual company as long as the data intent is complied with. The burden of proof remains by Statute on the utility; therefore, if applicant utility believes that additional information is necessary to support its case or is proposing a position which requires a departure from the basic schedules, the utility should supplement the standard filing requirements as required to support its position.~~
- ~~1.6.2~~ ~~The Commission may require utilities to supply information to supplement these minimum requirements during the course of the staff investigation of a specific case. The utility will be required to provide a duplicate copy of any such information requested by Staff to all intervenors to the proceeding as directed by the Commission. It is, however, the intent of the Commission in establishing minimum filing requirements to minimize the subsequent interrogatories and data requests.~~
- ~~1.6.3~~ ~~All schedules submitted to the Commission shall be typed and shall contain the name of the planned witness who will testify to the accuracy of the data.~~
- ~~1.6.4~~ ~~Supportive work papers must be made available for Staff inspection upon request subsequent to the filing.~~
- ~~1.6.5~~ ~~If required data has been previously filed, it may be incorporated by reference.~~
- ~~1.6.6~~ ~~All data, statements and exhibits filed pursuant to these minimum filing requirements shall be identified by paragraph designation for which they are submitted.~~
- ~~1.6.7~~ ~~Trade secrets, proprietary or otherwise privileged information of the utility shall be made available pursuant to these Rules only upon a showing of good cause and pursuant to a protective order of the Commission.~~
- ~~1.6.8~~ ~~The Commission will require 10 copies of the application for rate relief and the accompanying prepared testimony and supporting exhibits.~~
- ~~1.6.9~~ ~~All test year data, test period and data offered for any other time period will be presented in a format consistent with the uniform System of Accounts unless otherwise ordered by the Commission.~~

## 2.0 General Information

- 2.1 Description of ~~Company~~Utility - If Presently Not On File With Commission
- 2.1.1 Provide a corporate history including dates of incorporation, subsequent acquisitions and /or mergers.
- 2.1.2 Describe completely all relationships between the applicant utility and its parent, subsidiaries and affiliates. Furnish a chart or charts ~~which depict(s)~~ depicting the inter-company relationships.
- 2.1.3 Provide a current system territory map indicating all cities and counties and other government subdivisions to which the utility provides service ~~is provided~~.
- 2.1.3.1 If the utility is proposing to expand its service territory, provide a service territory map showing the areas of proposed expansion.
- 2.1.4 Provide ~~a statement of reasons for the proposed increase including an explanation of the major factors which gave~~ giving rise to the decision to seek a rate adjustment. ~~Also include~~ including an estimate of the dollars associated with each such major factor such as "Wage Increase \$50,000" or "Increase in Chemical Expense \$100,000". A detailed reconciliation of each and every item is not required to comply with this subsection, just the principal items and an estimate of the dollar impact, to the extent possible.
- 2.1.5 Provide ~~a statement identifying any significant~~ Identify and explain each element of the application which ~~to the applicant's knowledge~~ represents a departure from prior decisions of the Commission and the ~~associated~~ revenue requirement associated with that departure. This requirement would include includes proposed accounting changes or accounting changes that have occurred since the last rate Order. The utility shall provide a copy of or link to the Order(s) from which it proposes to depart.
- 2.2 Plant Capacity and ServiceWater
- 2.2.1 ~~Electric Utilities: Provide an explanation of the system's operation and state plans for any future expansion or modification. Provide schedules relating to generating capacity as follows: Provide a description of all major utility property, including an explanation of the system's operations and all plans for any major future expansions or modifications of facilities in the next three years. Provide a system map showing pumping stations, purification, and/or filter plants, reservoirs, wells, springs, booster stations, standpipes, distribution mains and transmission mains. Provide a description of the present and projected water supply.~~
- 2.2.1.1 ~~A schedule showing latest projections of capacity additions and retirements for the next ten years by unit of generation.~~
- 2.2.1.2 ~~A schedule showing reserve capacity at the time of the projected daily system peak for the next ten years and indicate growth rate incorporated in arriving at such peak load projections.~~
- 2.2.2 ~~Gas Utilities: Provide an explanation of the system's operation, and state plans for any future expansion or modification of facilities. Describe how respondent obtains gas supply as follows:~~
- 2.2.2.1 ~~Explain how respondent stores or manufactures gas.~~
- 2.2.2.2 ~~Describe the potential for emergency purchases of gas.~~
- 2.2.2.3 ~~Provide the amount of gas in MCF supplied by each of various suppliers in the test year.~~
- 2.2.2.4 ~~Provide plans for future gas supply.~~

- ~~2.2.2.5~~ ~~Indicate any existing or anticipated curtailments and explain reasons for same.~~
- ~~2.2.3~~ ~~Telephone: State all major current service objectives and indicate any areas where present service does not meet current internal service objectives. Provide schedules as follows:~~
  - ~~2.2.3.1~~ ~~Provide a schedule showing each central office, the type of equipment, i.e., SXS, ESS, etc., installed capacity in lines, equivalent lines in use, and estimated date of replacement.~~
- ~~2.2.4~~ ~~Water: Provide a description of all major utility property including an explanation of the system's operation and all plans for any major future expansions or modifications of facilities in the next five years. Provide a system map showing pumping stations, purification, and/or filter plants, reservoirs, wells, springs, booster stations, standpipes, distribution mains and transmission mains. A description of the present and projected supply of water should also be provided.~~
- ~~2.2.5~~ ~~Cable Television: Provide a description of all major system property. Provide a system map showing the location of antennas, headend, earth station and major cable distribution plant. State plans for future system expansion including miles of cable to be added, number of homes passed, expected saturation levels (including basic and premium services) for the next five years.~~
- 2.3 Amount and Percent of Increases
  - 2.3.1 ~~A schedule showing the dollar amount of the increase by category of service, customer class, or type of service rendered as appropriate and also showing the percent increase over present revenues in the same categories. Provide a schedule showing:~~
    - ~~2.3.1.1 current annualized revenues;~~
    - ~~2.3.1.2 the dollar amount of the increase by customer class and rate schedule; and~~
    - ~~2.3.1.3 the percent increase over present rate revenues in the same categories.~~
- 2.4 Previous Base Rate Cases
  - 2.4.1 For the utility's three most recent rate cases, the utility shall provide a schedule showing:
    - 2.4.1.1 The docket number of each case; and
    - 2.4.1.2 The PSC Order number in which the Commission granted rate relief; and
    - 2.4.1.3 The compliance filings for each case after rate relief was awarded.
- 2.5 Negotiated or Discounted Rates
  - 2.5.1 Provide a schedule identifying each negotiated or discount rate contract that the utility has. (The counterparty name may be redacted for this purpose.) The schedule should include for each contract:
    - 2.5.1.1 the current annualized revenues;
    - 2.5.1.2 the dollar amount of the increase; and
    - 2.5.1.3 the percent increase over present revenues.
- 3.0 Financial Results of Operations**
  - 3.1 Financial Summary

3.1.1 An overall financial summary must be furnished on Schedule No. 1. The "rate base" calculation for the purposes of the test year should reflect book figures. ~~The~~ To the extent additional "calculated" amounts are referenced, e.g., Cash Working Capital, these amounts should be consistent with the methodology employed for the test period rate base calculation.

3.1.2 Jurisdictional versus Total ~~Company~~ Utility Results. In the event the total ~~company~~ utility results are different from the results applicable to the Delaware jurisdiction, then two schedules shall be submitted and designated as schedule 1A, covering the entire company, and Schedule 1B, covering the Delaware jurisdictional results.

### 3.2 Supporting Documents

3.2.1 The following documents must be filed with the application if presently not on file with the Commission or the utility must provide a website address:

3.2.1.1 Annual Report to Stockholders for applicant, its subsidiaries and its parent for last five years.

3.2.1.2 Annual Reports to Federal Regulatory jurisdictions, such as FERC, REA, FCC, etc., as applicable.

3.2.1.3 SEC 10K Reports for last five years and most recent SEC 10Q Report for applicant or parent. If both applicant and parent have public stockholders, submit for both. If the utility is not a public company or whose parent are not under the jurisdiction of the SEC, equivalent reports for the last five years should be provided.

3.2.1.4 Most recent proxy statement for applicant or parent. If both applicant and parent have public stockholders, then submit for both.

3.2.1.5 All securities prospectuses for applicant utility and parent for most recent five year period.

## 4.0 Rate Base

### 4.1 Rate Base Defined

**26 Del.C. § 102(3)** defines Rate Base as follows:

"(3)" **Rate base**" means:

- a. The original cost of all used and useful utility plant and intangible assets either to the first person who committed said plant or assets to public use or, at the option of the Commission, the first recorded book cost of said plant or assets; less;
- b. Related accumulated depreciation and amortization; less;
- c. The actual amount received and unrefunded as customer advances or contributions in aid of construction of utility plant, and less;
- d. Any accumulated deferred and unamortized income taxes and investment credits related to plant included in paragraph a. above, plus;
- e. Accumulated depreciation of customer advances and contributions in and of construction related to plant included in paragraph a above and plus;
- f. Materials and supplies necessary to the conduct of the business and investor supplied cash working capital, and plus;
- g. Any other element of property which, in the judgment of the Commission, is necessary to the effective operation of utility."

### 4.2 Jurisdictional Rate Base Summary

4.2.1 Submit a jurisdictional rate base summary on Schedule 2.

- 4.2.2 Indicate on schedule 2 in the column titled "**26 Del.C. §102(3)** Letter Ref." the appropriate letter reference designating the Section of the Code upon which the applicant relies for the inclusion of each item in Rate Base as set forth in ~~4.2.1 above~~ in subsection 4.1.
- 4.3 Used and Useful Utility Plant
- 4.3.1 ~~Submit schedules~~ Complete Schedule 2A showing ~~total company total utility~~ plant in service by major plant categories ~~for total company~~, as allocated to this jurisdiction with adjustments, if any are proposed. ~~This data shall be submitted as Schedule 2A.~~
- 4.3.2 Where rate base is computed using a twelve-month or thirteen month average, ~~provide this data will be needed~~ the data for the end of each month included in the calculation. Please provide the calculation for either the twelve-month or thirteen month average used.
- 4.3.3 Where rate base is allocated among jurisdictions, ~~indicate the basis for the allocation factors used~~ identify the allocation factors used and the basis for using those allocation factors.
- 4.3.4 Adjustments ~~proposed~~ to the test year data must be fully identified and explained.
- 4.3.5 Utilities permitted by law to collect a Distribution System Improvement Charge ("DSIC") shall not include post-test period projected DSIC-eligible plant in their proposed used and useful utility plant. All DSIC-eligible plant shall be collected through the DSIC as provided in 26Del.C. §§314 and 315 and 26Del.Admin.C. §1009.
- 4.4 Intangible Assets
- 4.4.1 If intangible assets are claimed in rate base, complete Schedule No. 2B.
- 4.4.2 Provide a statement of the specific reasons for inclusion in rate base.
- 4.5 Accumulated Depreciation and Amortization
- 4.5.1 ~~Submit schedules~~ Complete Schedule 2C showing accumulated reserve for depreciation by major plant categories ~~on Schedule No. 2C~~ if records permit.
- 4.5.2 When rate base is computed using a twelve-month average, ~~this data will be needed~~ provide the data for the end of each month included in the calculation.
- 4.5.3 When rate base is allocated among jurisdictions, ~~indicate the basis for the allocation factors used~~ identify the allocation factors used and the basis for using those allocation factors.
- 4.5.4 Adjustments ~~proposed~~ to test year data must be fully identified and explained.
- 4.6 Unrefunded Customer Advances and/or Contributions in Aid of Construction
- 4.6.1 Provide a schedule showing the actual amounts at the beginning and end of the test year and test period.
- 4.6.2 If estimated amounts are included, explain the basis of such estimate.
- 4.7 Accumulated Deferred Income Taxes and Unamortized Investment Credit
- 4.7.1 ~~Provide a~~ Complete Schedule 2D providing complete analysis of all deferred income taxes ~~on Schedule No. 2D~~. Provide one schedule each for Federal Income Taxes and ~~an additional schedule for~~ State Income Taxes.
- 4.7.2 The specific deferred income taxes shown on Schedule 2D lists some but not necessarily all deferred income taxes that may be applicable to a particular utility, hence the accounts shown should be modified as appropriate.
- 4.7.3 Provide a statement which fully explains the utility's deferred tax accounting practices, i.e., the basis upon which annual tax deferrals are determined and the basis upon which deferred tax reserves are charged or credited to current period.

- 4.7.4 ~~Provide the amount of amortization of Investment Tax Credit and/or Job Development Credit included as a reduction of Income Tax Expense in the test year. Identify and provide an itemization of each tax credit balance and amortization included in the utility's rate application.~~
- 4.7.5 Provide the amount of ~~ITC or JDC~~ tax or other credits available but not utilized as of the end of the test year.
- 4.8 Accumulated Depreciation of Customer Advances and Contributions in Aid of Construction
- 4.8.1 Provide a statement which describes the accounting procedures used to segregate depreciation reserves between investor provided and contributed property.
- 4.8.2 Provide a ~~Schedule~~ schedule showing the actual amounts at the beginning and end of the test year and test period.
- 4.8.3 If estimated amounts are included, explain the basis of such estimates.
- 4.9 Material and Supplies
- 4.9.1 If a claim is made for Material and Supplies, provide a ~~Schedule~~ schedule showing the balance in each of the major groupings of material and supplies for each of the twelve months preceding the test year, for the test year and for the test period.
- 4.9.2 If estimated balances are included, explain the basis for such estimates.
- 4.9.3 Explain any ~~unusual fluctuation~~ variances greater than 5% for the period of time for which monthly balances are included.
- 4.9.4 When materials and supplies are computed using an average, provide the balances for the end of the month included in the calculation.
- 4.10 Investor Supplied Cash Working Capital
- 4.10.1 Complete Schedule 2E showing the components of investor supplied cash working capital included in the rate base claim.
- 4.10.2 Other items. If any other items are included in the working capital claim, provide a full and complete explanation in support thereof including the calculation which demonstrates the amounts so included as investor-provided funds with reference to **26 Del.C. §102(3)**.
- 4.11 Other Element of Property
- 4.11.1 ~~Schedule 2F shall be completed~~ Complete Schedule 2F to provide the amount, description and justification for inclusion in rate base.
- 4.11.2 Provide a statement of the specific reasons for inclusion in rate base with reference to **26 Del.C. §102(3)**.
- 4.11.3 If a rate base claim is made for non-DSIC property under construction but not used and useful in whole or in part during the test period, provide a schedule showing each major project and indicate whether or not the project will add capacity or replace existing capacity or both. If major units of capacity are being added, show in calculation the additional revenue expected to be realized. If major units of capacity are being retired, indicate the type of property, its original cost, accumulated reserves for depreciation and the expected date of retirement from service.

## 5.0 Net Operating Income

- 5.1 Jurisdictional Summary of Net Operating Income
- 5.1.1 ~~Submit~~ Complete Schedule 3 providing a jurisdictional summary of net operating income ~~on Schedule No. 3~~ for the historic test year on an actual basis and for the test period.

- 5.2 Revenues
- 5.2.1 ~~Submit a schedule~~ Complete Schedule 3A showing operating revenues by major revenue category, including other operating revenues and uncollectible operating revenues, for the test year, and for the test period. ~~This data shall be submitted on Schedule 3A.~~
- 5.2.2 Electric, Gas and Water Utilities. For each tariff rate, submit a schedule showing the volume of tariff unit sales for two years preceding the test year, the test year, and the test period. For the purpose of this section, the volume of tariff unit sales means:  
 Electric - KWH sold  
 Gas - MCF sold  
 Water - Gallons sold and hydrant fees.
- 5.2.3 ~~Provide a schedule showing the dollar revenues associated with the unit volume shown in Section V.B.2. Electric and gas utilities should show Fuel and Gas Adjustment revenues separately by customer class.~~
- 5.2.4 ~~Telephone and Cable Television Companies. For each tariff rate revision, submit a schedule showing the number of units in service consistent with the test year and/or the test period. Opposite the units in service show the present and proposed rates for service and the present and proposed revenues.~~
- ~~5.2.5~~ 5.2.3 If test period volumes of sales or tariff units are based on an estimate or forecast, provide a full and complete explanation of the basis and assumptions underlying such forecast, including weather assumptions and any price elasticity effects.
- ~~5.2.6~~ 5.2.4 ~~Adjustments to test~~ Test period revenues should be fully detailed and explained including all mathematical calculations related thereto. This information should follow Schedule 3A with appropriate adjustments referenced to the amounts shown on Schedule 3A.
- 5.3 Operating Expenses
- 5.3.1 ~~Submit a schedule~~ Complete Schedule 3B showing operating expenses, by major expense category for the test year and for the test period. ~~This data shall be submitted on Schedule 3B.~~
- 5.3.2 ~~Adjustments to test~~ Test period operating expenses should be fully detailed and explained including all mathematical calculations related thereto. This information should follow Schedule 3B with appropriate adjustments referenced to the adjustment amounts shown on Schedule 3B.
- 5.3.3 ~~Copies of invoices should be attached for raw materials purchased at prices higher than those experienced during the test year and an adjustment is made where a future test period is not used.~~
- 5.3.4 5.3.3 ~~Submit a~~ Complete Schedule 3C showing test year and test period payroll and employee benefit experience. The expense portion of the total payroll costs should equal the payroll and benefit expense included in the various categories of Schedule 3B.
- ~~5.3.5~~ 5.3.4 ~~Complete Schedule 3D for the five highest paid executives showing the most recently approved base salary and the value of other benefits~~ itemization of all other compensation (current and deferred) on an annual basis using the most recent actual data available.
- ~~5.3.6~~ 5.3.5 Provide a statement of procedures used for determining depreciation rates utilized to compute the depreciation expense claim (Schedule 3B).; ~~including a statement of the depreciation rates either approved by or implicit in the rate determination made by the Commission in the last rate proceeding. Provide a schedule showing the calculation of claimed depreciation expense by major plant categories (if not provided in the detailed~~

~~supporting adjustments in Item C(2)) if available. State whether the utility is basing its depreciation rates on a study conducted for this rate application, or whether the utility is using depreciation rates previously approved by the Commission or implicit in a rate determination approved by the Commission. If the latter, state when the most recent depreciation study was performed, the docket number of the case in which it was submitted, and the numbers and dates of the order(s) approving those depreciation rates.~~

~~5.3.75.3.6 Provide a copy of the most recent depreciation study that is relied on to support the depreciation rates used for the purpose of Schedule 3B if a change in depreciation rates is proposed. Provide a schedule showing the current and proposed depreciation accrual rate and expense by individual plant account (if not provided in the detailed supporting adjustments in Schedule 2C.~~

~~5.3.7 If a change in depreciation rates is proposed, provide a copy of the most recent depreciation study that is relied on to support the depreciation rates used for the purpose of Schedule 3B.~~

~~5.3.8 Electric utilities only shall submit the following for the most recent actual twelve month period preceding the test year and for the test year and test period.~~

~~5.3.8.1 A schedule showing the KWH generated by generation unit along with the applicable fuel, other and maintenance expenses.~~

~~5.3.8.2 A detailed analysis of power purchased from others including KWH purchased and cost.~~

~~5.3.8.3 A detailed analysis of interchange power transactions setting forth separately purchased power and power sold and the dollars associated with each.~~

~~5.3.8.4 A schedule showing the details of any temporary capacity sales or purchases.~~

~~5.3.8.5 If deferred fuel cost policy is followed, describe the procedure and state manner in which amount of deferred fuel cost on balance sheet at end of most recent twelve month period reported was determined and state in which month such fuel expense was incurred. Provide amount included in test year expense which is derived from deferred fuel cost.~~

~~5.3.8.6 Submit a schedule showing fuel cost in excess of base compared with fuel cost recovery by months for the most recent twelve month period and for the test year.~~

~~5.3.8.7 Provide a reconciliation of total KWH generated, purchased or required through interchange with total KWH sold for resale, retail, interchange, interdepartment use, system losses, etc.~~

~~5.3.95.3.8 Furnish Complete Schedule 3E providing a test year summary of sales promotion, advertising and miscellaneous sales expenses on Schedule 3E. Classify advertising expense by purpose, i.e., product or service promotion, service aids, personnel and institutional.~~

~~5.3.105.3.9 Furnish a schedule Complete Schedule 3F providing of all test year contributions for educational or other charitable purposes which are included in the operating expense totals which applicant seeks to recover from rate payers on Schedule 3F. Provide the organization names, a description of the organization, tax status, and reason for inclusion in rates.~~

~~5.3.145.3.10 Submit a statement showing amounts spent in test year and test period listing all test year and test period on lobbying fees paid or to be paid influencing legislation both at the state and national levels which applicant that the utility seeks to recover from~~

ratepayers. ~~Where this activity is less than full time, Where a utility employee performed this activity less than full time,~~ furnish the basis for allocations of payroll and related costs.

~~5.3.125.3.11~~ ~~Furnish a Complete Schedule 3G listing of all test year and test period dues paid or to be paid by the company for social and service clubs which applicant that the utility seeks to recover from ratepayers. Include costs paid directly by company the utility for any executive or employee recreational or "conference" facilities. Complete Schedule 3G.~~ Provide the organization name, a description of the organization, tax status, and reason for inclusion in rates.

~~5.3.135.3.12~~ ~~Provide an analysis of actual and project rate case expenses on Schedule 3H.~~ Complete Schedule 3H providing an analysis of actual and projected rate case expenses. If the utility is using outside consultants and counsel and used a bidding process, provide copies of the utility's request for proposals and all bids received in response. Provide the amount paid to outside consultants and counsel that provided services in the utility's last rate case.

~~5.3.145.3.13~~ Provide a schedule by major expense category of all the amounts charged or credited from each affiliated company for the test year and the test period. Provide the basis of allocation or basis of charging. State whether there has been a change in allocation method or pricing formula since the last general rate case and, finally, describe the services or products provided in Delaware and the benefits of such arrangements.

~~5.3.155.3.14~~ Operating Taxes.

~~5.3.15.15.3.14.1~~ Complete Schedule 3I to agree with the amount shown on Schedule 3, line 42 ~~4~~ titled Total Operating Taxes, for the test year and for the test period.

~~5.3.15.25.3.14.2~~ Complete Schedules 3J and 3K in support of the amount of current and deferred state and federal income tax claimed by the utility for ratemaking purposes as reflected in total on Schedule 3I.

~~5.3.15.35.3.14.3~~ Provide a statement of the utility's income tax accounting practice with respect to timing differences related to liberalized depreciation, the Asset Depreciation Range System, accelerated amortization and cost of removal and all other timing differences such as employee benefits and taxes capitalized.

~~5.3.15.45.3.14.4~~ . Provide a statement of the utility's accounting practice with respect to ~~Investment Tax Credits (ITC) and Job Development Credits (JDC)~~ all federal tax credits applicable to this filing, including a copy of all elections filed with the Internal Revenue Service related thereto.

~~5.3.15.55.3.14.5~~ Utilities which "normalize" all or any portion of ~~ITC or JDC~~ tax credits must complete Schedule 3L.

~~5.3.15.65.3.14.6~~ If the utility is part of an affiliated group of companies and its federal income tax return is filed as part of a consolidated federal income tax return, please provide a statement of the procedure used to allocate the consolidated federal income tax liability, the benefits of the consolidated return, and how those benefits are reflected on the utility's books.

~~5.3.15.75.3.14.7~~ Complete Schedule 3M for all other Federal, State and local taxes for the test year and for the test period

5.4 Allowance for Funds Used During Construction (AFUDC)

5.4.1 Provide a schedule showing the following:

5.4.1.1 The AFUDC rate employed by the Commission in the last rate Decision.

5.4.1.2 The AFUDC rate used in each month from the end of the test period in the last case through the end of the test year and test period.

- 5.4.2 Provide a statement ~~which describes~~ describing the methodology employed to complete the AFUDC rates for all periods of time specified in 5.4.1 above.
- 5.4.3 Provide a statement ~~which fully describes~~ fully describing how the AFUDC is applied in the accounting procedures.
- 5.5 Other Income
  - 5.5.1 Provide a schedule ~~which describes~~ describing the nature and amount of each item of other income for the test year and test period.

## 6.0 Rate of Return

- 6.1 Summary of Claimed Rate of Return
  - 6.1.1 A Complete Schedule 4 providing a summary report of the proposed fair rate of return, ~~including shall be supplied on Schedule 4 which contains~~ a weighted cost of capital analysis.
  - 6.1.2 ~~The Company's Complete Schedule 4A providing the utility's actual and estimated capital structure shall be submitted on Schedule 4A for the end of the test year and test period. A capital structure which is based on a time period beyond the test year should~~ shall be accompanied by a statement of projected new issues and retirements.
- 6.2 Embedded Cost of Debt
  - 6.2.1 Describe how short-term debt is allocated between rate base and non-rate base ~~CWIP-Construction Work in Progress~~. Describe compensating balance requirements of credit line banks and supply documentation in support of such requirements. If the compensating balance requirements exceed the cash and float included in working capital claim, give a statement explaining the excess.
  - 6.2.2 Complete Schedules 4B and 4C to show the composition of the embedded cost of long-term debt ~~or provide the information in some other manner as the Company would normally develop such costs~~. Use the debt costs most appropriate to the capital structure adopted, e.g., if a test year end capital structure is used, use a test year end embedded cost analysis.
  - 6.2.3 Describe long-term debt reacquisitions by ~~company~~ utility and parent company, if applicable, as follows: reacquisitions by issue by year; total gain by acquisitions by year; accounting of gain for income tax and book purposes.
  - 6.2.4 In the event that ~~applicant~~ the utility believes the true or economic cost of debt exceeds the nominal costs shown in Schedule 4C because of convertible features, sale with warrants or for any other reason, a full statement of the basis for this claim ~~should be provided~~.
- 6.3 Embedded Cost of Preferred Stock
  - 6.3.1 Complete Schedules 4D and E to show the cost of preferred stock. Use the preferred stock cost rates most appropriate to the capital structure adopted for cost of capital computations, i.e., if a test year end capital structure is used, use a test year end embedded cost analysis.
  - 6.3.2 ~~Describe preferred stock reacquisitions by company and by parent company, if applicable, as follows: reacquisitions by issue by year; total gain by acquisitions by year; accounting for gain for income tax and book for financial reporting purposes. Describe preferred stock reacquisitions by the utility over the past five years.~~
  - 6.3.3 In the event that ~~applicant~~ the utility claims a true or economic cost higher than the nominal rate shown in Schedule 4E due to convertibility or for any other reason, provide a full statement of the basis for this claim ~~shall be furnished~~.
- 6.4 Common Equity Cost Rates

- 6.4.1 Complete Schedule 4F providing ~~Provide~~ data on all common equity public stock offerings (including registered secondary offerings) for the current year and for the previous five calendar years. ~~Use Schedule form 4F.~~
- 6.4.2 Provide a summary statement of all stock dividends, splits or par value changes in last five years.
- 6.4.3 Provide comparative financial data on Schedules 4G and 4H for the test period without rate increase for the test year, for the most recent calendar year and for the next most recent calendar year.
- 6.4.4 Provide complete analysis and support ~~of~~ for the utility's claimed common equity return rate.
- 6.4.5 State what coverage requirements or capital structure ratios are required in the most restrictive of applicable indentures and how these measures are ~~to be~~ computed.
- 6.5 Parent-Subsidiary Relationship
- 6.5.1 Where ~~applicant~~ the utility is a subsidiary of a parent corporation, the data ~~provided for~~ in Schedules 4A, B, C and D shall also be provided for the parent company or on a consolidated basis ~~as well as for applicant.~~
- 6.5.2 If ~~applicant~~ the utility proposes to utilize the parent company's capital structure or capital costs ~~of the parent company~~, or to provide such data on a consolidated basis, the reasons for this claim must be fully stated and supported.

## 7.0 Gross Revenue Conversion Factor

~~Provide a calculation on~~ Complete Schedule 5 to show how many dollars of gross revenue increase are required to realize \$1.00 of net return increase.

## 8.0 Rates and Tariffs

- 8.1 Provide a copy of proposed Tariff Schedules
- 8.2 By appropriate marginal designation, in the proposed Tariff Schedules, classify proposed changes in accordance with code shown below:
- C Changed Regulation
  - D Discontinued Rate or Regulation
  - I Increased Rate
  - N New Rate or Regulation
  - R Reduced Rate
  - S Reissued Matter
  - T Change in text without change in rate or regulation
- 8.3 Provide the rationale for proposed tariff changes (other than across the board percentage increases).
- 8.4 Provide a cost of service study, showing rates of return by customer class or type of service rendered for the test year and for the test period, if available, at present and proposed rates. The months used in the cost of service study shall correspond to the months used in the utility's test period.
- 8.5 For test period only, provide schedule, ~~by customer classification or category of service,~~ showing present revenues, pro forma adjustments, proposed increases and percent of increase for each rate schedule.

8.6 ~~Provide~~ If applicable, provide detailed calculation substantiating the adjustment for additional revenues from annualizing changes in customers and growth in use per customer during test year ~~if applicable~~.