delmarva power
A PHI Company

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PO Box 9239
Newark, DE 19714-9239

November 23, 2015

VIA DELAFILE

Mr. Jason Smith
Case Manager
Delaware Public Service Commission
861 Silver Lake Boulevard
Dover, DE 19904

RE: PSC Docket No. 13-250 – Billing Transparency Working Group

Dear Mr. Smith:

Enclosed please find comments to Staff's Report and Recommendations issued on October 15, 2015 in PSC Docket No. 13-250 Bill Transparency Phase II.

Please contact me at (302) 353-7979 or Heather Hall at (302) 454-4828 should you have any questions.

Respectfully Submitted,

Todd L. Goodman

cc: Service List

IN THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE LEGISLATIVE PETITION FOR REVIEW AND RECOMMENDATIONS ON DELMARVA POWER & LIGHT COMPANY UTILITY BILL TRANSPARENCY (FILED JUNE 20, 2013)	)))))	Docket No. 13-250

COMMENTS OF DELMARVA POWER & LIGHT COMPANY

Introduction

On October 15, 2015, Commission Staff issued its Report and Recommendation in Phase II of this Docket ("Staff's Report"). Staff's Report recommends that the Qualified Fuel Cell Program ("QFCP") costs should not be separately identified as a line item on Delmarva Power's monthly customer bills; rather Staff recommends that QFCP costs should continue to be included as part of the Renewable Compliance Charge line item along with the costs of the 6 other primary Renewable Energy Portfolio Standards Act ("REPSA") compliance projects. Staff's Report provides a clear, well written description of the procedural history of this docket, what occurred in Phases I and II, and the positions of the various participants in this docket.

Delmarva Power Agrees With The Recommendation Of Staff And DNREC

Delmarva Power agrees with the recommendation set forth in Staff's Report. Currently, the cost of the QFCP and the other 6 Commission-approved REPSA compliance projects is reflected as part of the line item charge identified on monthly Delmarva Power bills as the "Renewable Compliance Charge." DNREC, like Staff, takes the position that QFCP costs should continue to be part of the Renewable Compliance Charge line item along with the costs of the 6 other primary REPSA compliance projects.[1] Importantly, the positions of Staff and DNREC are based upon the fact that Delmarva Power customers who want to know their specific monthly QFCP cost can easily obtain that information from Delmarva's website. Representative Kowalko, Senator Lawson, and Messers Nichols and Stevenson take the position that the QFCP costs should be removed from the Renewable Compliance Charge line item and separately identified as an additional line item charge on Delmarva's bills.

[1] The 7 Commission-approved projects used by Delmarva Power to comply with REPSA include: (1) the QFCP, (2) the Dover SunPark, (3) the Armenia Mountain Wind Farm, (4) the Chestnut Flats Wind Farm, (5) the Rothrock Windfarm, (6) the Delaware SREC Purchase Program, and when needed, Delmarva Power purchases additional REPSA compliance credits from (7) the PJM market.

Delmarva Power had hoped that Phase II of this docket would be resolved through an agreement amongst the parties participating in the Working Group; however, it would appear that no agreement will be forthcoming. To be clear, Delmarva Power does not serve as an advocate for the QFCP in the controversy that has arisen around Phase II of this docket. Delmarva serves "solely as the agent for the collection and disbursement of funds for the [Qualified Fuel Cell] project."[2] It is important for the Commission to understand that Delmarva Power has no financial stake in the outcome of this docket as it receives no income from the QFCP portion of the Renewable Compliance Charge; rather, pursuant to legislation, Delmarva is required to collect funds from its customers and disburse those funds to the QFCP.[3]

What the Commission must decide here is what is best for Delmarva Power's customers. Delmarva Power believes that the best result for its customers is set forth in the well-reasoned recommendation outlined in Staff's Report.

The billing modifications recommended in Staff's Report were first offered as a compromise proposal in Delmarva Power's responses to Staff's discovery in this docket. Delmarva Power has quoted its discovery responses on the issue below for convenience of the Commission.

> "As Delmarva Power has stated throughout Phases I and II of this Docket, it supports any reasonable improvements to its bills that would make bills easier to understand and more informative for its customers in general, without making its bills confusing or unreasonably increasing costs of the billing/calculation process. For those customers who want more detailed information on specific costs than most, Delmarva believes it should make that information readily available to those customers through its website or call center without providing all customers with information that would needlessly complicate their bills. In other words, although a *minority* of individuals may want a detailed breakdown of line item costs on their bills, Delmarva believes that the *majority* of its customers do not. Delmarva believes that customers who *do* want a more detailed breakdown should be able to obtain that information easily, however.
>
> ...Pursuant to Phase I of this docket, Delmarva bills were expanded to include, among other new line items, each customer's monthly cost of complying with REPSA. That cost is identified on bills as the "Renewable Compliance Charge." The Renewable Compliance Charge is shown on each bill as both a per kWh rate and a total amount for the month.
>
> Delmarva supported adding the Renewable Compliance Charge as a line item to its bills [in Phase I of this docket] because it made Delmarva's bills more understandable and informative without unreasonably increasing costs or complicating the bills for customers. Delmarva believes that it is helpful for

[2] 26 *Del. C.* §§ 364 (b).
[3] 25 *Del. C.* §§ 264 (b), 264 (d)(1) and 264 (h).

customers to know the cost of complying with REPSA and making that change to the bills did not unreasonably complicate bills or unreasonably increase costs.

During the first working group session in Phase II of this Docket, interveners Kowalko, Nichols and Stevenson argued for (among other things) separately identifying the costs of one REPSA project on customer bills: the Qualified Fuel Cell (QFC) project. In response, Delmarva asked the working group participants to consider whether it would be warranted to single out only one of [7] REPSA projects. For example, why would it be warranted to single out the QFC[P] without also identifying the cost of multiple other projects that are included in the cost of complying with REPSA? Delmarva is also concerned that singling out only one component of REPSA compliance costs on the bill would not only make its bills more complicated than most customers would prefer, but would also serve to misinform customers by focusing on just one portion of REPSA compliance costs.

An alternative to singling out QFC program costs would be for monthly bills to separately delineate the costs of each [of 7] REPSA compliance project[s] (*e.g.,* the QFC project, each of the three major wind projects, the Dover SunPark, the Delaware Solar Program, etc.). That option would, however, make bills even lengthier and more complicated than the majority of customers would prefer.[4]

* * *

Delmarva does not believe that singling out the QFC[P] on its bills would be justified or helpful to the vast majority of customers. The potential option of listing the cost of all projects that constitute the cost of REPSA compliance on monthly bills would make bills far lengthier and more complicated than the majority of customers would prefer.

Delmarva supports continuing to include the monthly cost of REPSA compliance on its bills through a line item that identifies each customer's Renewable Compliance Charge. For the minority of customers who want more specific information regarding what they are paying per month for . . . REPSA compliance costs . . ., each bill would contain a link to a web page that would provide the exact per kWh charge for the billing month. Customers could simply multiply the per kWh rate for the QFC[P] . . . by their monthly kWh use to easily determine the exact amount being charged each month.... For those customers who do not have internet access, the same information will be available through Delmarva's Call Center. This proposal would enable customers to easily and efficiently obtain the exact monthly amount he/she is being charged... without complicating the bills of all customers."[5]

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[4] Response of Delmarva Power to Staff Request for Information (RFI) number 14 in this Docket.

[5] Response of Delmarva Power to Staff RFI 15 and RFI 16 in this Docket.

As explained in Staff's Report, Delmarva provided each member of the Working Group with a model monthly bill reflecting Delmarva's compromise proposal for resolving the QFCP dispute (the "Model Bill"). A copy of that Model Bill is attached hereto as "Exhibit A" for the Commission's convenience. The language printed in red text on page 2 of the Model Bill reflects new bill language recommended by Delmarva Power. Attached as "Exhibit B" hereto is a monthly chart that was added to Delmarva Power's website as a result of Phase I of this docket. That chart informs customers of the exact per kWh charge for the QFCP for the current and previous two billing months. The red text above that chart reflects the new language that Delmarva Power, Staff and DNREC recommend adding to the chart as part of Phase II of this docket. That new language instructs customers how to calculate their exact monthly QFCP charge.

Conclusion

Delmarva Power agrees with the positions taken by DNREC and Commission Staff in this docket. If approved by the Commission, customer bills will continue to inform customers of the amounts they are paying each month for REPSA compliance. For those customers who wish to know more, such as what they are paying for the QFCP each month, they will be able to easily obtain that specific monthly information through Delmarva Power's website.

Respectfully submitted

By: _____

Todd L. Goodman
Associate General Counsel
Delmarva Power & Light Company
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Newark, Delaware 19714
todd.goodman@pepcoholdings.com

Dated: 11/23/15

Exhibit A

[redacted]

delmarva power

Your electric and gas bill - Apr 2015

for the period **March 21, 2015 to April 21, 2015**

[redacted]

Account number: [redacted]
Your service address: [redacted]

Bill issue date: Apr 22, 2015

Summary of your charges

Balance from your last bill	$196.59
Your payment(s) - thank you	$196.59--
Balance forward as of Apr 22, 2015	$0.00
New electric charges	$61.39
New gas charges	$79.34
Total amount due by May 13, 2015	**$140.73**

Find helpful storm preparation and power outage information at delmarva.com

Learn how to save energy and money by registering for MyAccount at www.delmarva.com.

Your smart meter is read wirelessly. Visit My Account at delmarva.com to view your daily and hourly energy usage.

How to contact us

Customer service (Mon-Fri, 7am - 7pm)	1-800-375-7117
Electric emergencies & outages (24 hours)	1-800-898-8042
Natural gas emergencies (24 hrs)	1-302-454-0317
¿Problemas con la factura?	1-800-375-7117

Visit delmarva.com

Please tear on the dotted line below. Invoice Number: [redacted]

Return this coupon with your payment made payable to Delmarva Power

Account number [redacted]
Total amount due by May 13, 2015 **$140.73**

[redacted] 2DE00340

[redacted]

Amount Paid: $ ☐☐☐.☐☐

PO BOX 13609
PHILADELPHIA PA 19101

100001550063234000000000000000000000000140730000000140730014

Account number: [redacted]

Your electric and gas bill for the period
March 21, 2015 to April 21, 2015

Details of your Electric Charges

Residential Service - service number 0550 0632 3400 7000 1840 04
Electricity you used this period

Meter Number	Energy Type	End Date	Start Date	Number Of Days	Total Use
[redacted]	Use (kWh)	Apr 21	Mar 21	32	344
		Reading	Reading	Multiplier	
		034832	034488	1	

Your meter records electric energy use in hourly intervals. Your bill is the total of all hourly intervals recorded during your billing period.
End and start date kWh meter readings are provided for informational purposes only.
Please visit My Account at delmarva.com to view your energy use data.

Your next bill period is scheduled to end on May 19, 2015

Electric Summary	
Balance from your last bill	**$64.62**
Payment Apr 09	$64.62–
Total Payments	**$64.62–**
Electric Charges (Residential Service)	$61.39
New electric charges	**$61.39**
Total amount due by May 13, 2015	**$61.39**

Delivery Charges: These charges reflect the cost of bringing electricity to you.
Current charges for 32 days, **winter rates in effect.**

Type of charge	How we calculate this charge	Amount($)
Customer Charge		11.71
Distribution Charge	344 kWh X $0.0299550 per kWh	10.30
Low Income Charge	344 kWh X $0.0000950 per kWh	0.03
Green Energy Fund	344 kWh X $0.0003560 per kWh	0.12
Renewable Compliance Charge	344 kWh X $0.0079030 per kWh	2.72
Total Electric Delivery Charges		**24.88**

The Renewable Compliance Charge does not reflect any direct or indirect economic or health benefits of renewable energy. Delaware Renewable Energy law requires that **11.5% of your electricity must come from renewable electric generation sources** in 2014. For more on renewable energy, go to www.delmarva.com/my-home/choices-and-rates/delaware/renewable-portfolio-standard.

For information on the cost of different components of your Renewable Compliance Charge, go to *www.delmarva.com/uploadedFiles/www.delmarva.com/Pages/my-home/choices-and-rates/Delaware/QFCP.pdf*

☐ **Check here to enroll in the Direct Debit plan** Sign and date here _____

By signing here, you authorize Delmarva Power to electronically deduct the amount of your monthly bill from your checking account each month. The check you send with this signed authorization will be used to set up Direct Debit. You understand that we will notify you each month of the date and amount of the debit, which will be on or after the due date stated on your monthly bill. You understand that to withdraw this authorization you must call Delmarva Power. You understand that Delmarva Power does not charge for this service, but that your bank may have charges for this service.

Electronic Check Conversion

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction.

Printed on recyclable paper.

[redacted]

Account number: [redacted]

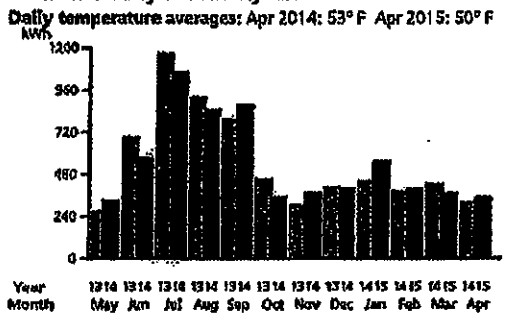
Your electric and gas bill for the period
March 21, 2015 to April 21, 2015

Supply Charges: These charges reflect the cost of producing electricity for you. You can compare this part of your bill to offers from competitive suppliers. The class average annual price to compare is 10.75 cents per kWh.

Type of charge	How we calculate this charge	Amount($)
Transmission Capacity Charge	2.49 kW X $2.5452530 per kW	6.34
Standard Offer Service Charge	344 kWh X $0.0877060 per kWh	30.17
Total Electric Supply Charges		**36.51**
Total Electric Charges - Residential Service		**61.39**

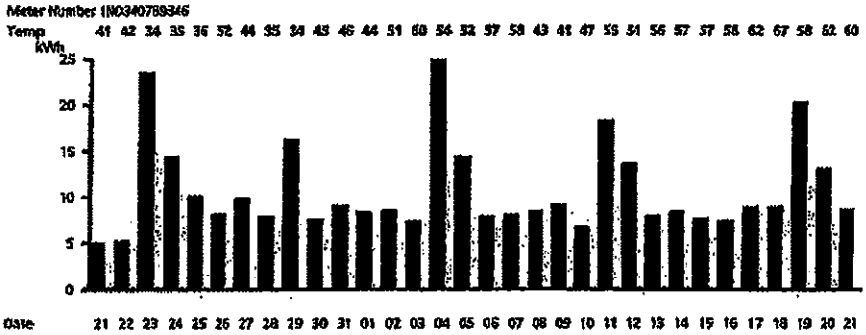
Your monthly Electricity use in kWh

Daily temperature averages: Apr 2014: 53° F Apr 2015: 50° F



Your daily electricity use for this bill period. Visit My Account at delmarva.com to see your hourly electricity use.

Meter Number 1N0340789346



Details of your Gas Charges

Residential Gas Heating - service number [redacted]
Gas you used this period

Meter Number Energy Type	Current Reading	Previous Reading	Difference	Multiplier	Total Use
[redacted]	Apr 21	Mar 21			
Use (CCF)	004314 (actual)	004247 (actual)	67	1	67

Your next meter reading is scheduled for May 19, 2015

Delivery Charges: These charges reflect the cost of bringing gas service to you. Current charges for 32 days, **winter rates in effect.**

Type of charge	How we calculate this charge	Amount($)
Customer Charge		11.41

Gas Summary	
Balance from your last bill	**$131.97**
Payment Apr 09	$131.97-
Total Payments	**$131.97-**
Gas Charges (Residential Gas Heating)	$79.34
New gas charges	**$79.34**
Total amount due by May 13, 2015	**$79.34**

[redacted]

Account number: [redacted]

Your electric and gas bill for the period
March 21, 2015 to April 21, 2015

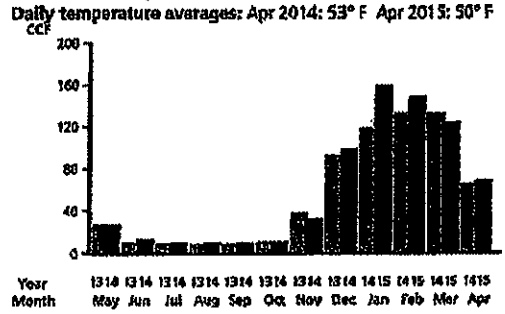
Distribution Charge	First 50 CCF X $0.5022900 per CCF	25.11
Distribution Charge	Last 17 CCF X $0.4030600 per CCF	6.85
Environmental Surcharge	67 CCF X $0.0012200 per CCF	0.08
Total Gas Delivery Charges		**43.45**

Supply Charges: These charges reflect the cost of producing gas service for you.

Type of charge	How we calculate this charge	Amount($)
Gas Cost Charge	67 CCF X $0.5356300 per CCF	35.89
Total Gas Supply Charges		**35.89**
Total Gas Charges - Residential Gas Heating		**79.34**

Your monthly Gas use in CCF

Daily temperature averages: Apr 2014: 53° F Apr 2015: 50° F



Your daily gas use for this bill period. Visit My Account at delmarva.com to see your hourly gas use.

Meter Number 2422933AGM

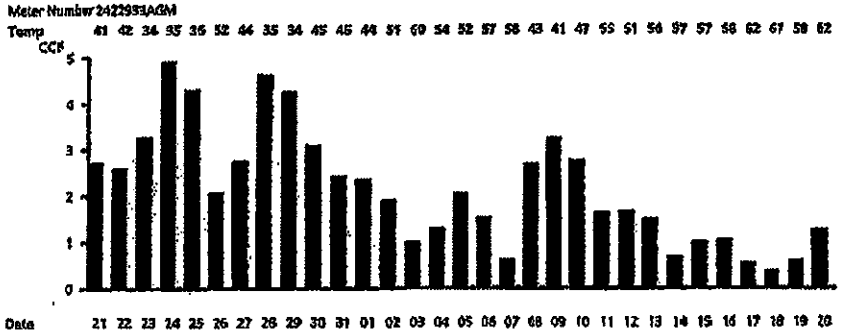


Exhibit B

How To Calculate Your Monthly QFCP and RPS Charges

The Renewable Portfolio Compliance Rate (or "RPCR") is separately listed each month on your Delmarva Power bill. The RPCR varies monthly and is comprised of two charges: (1) the Qualified Fuel Cell Provider (or "QFCP") charge and (2) the Renewable Portfolio Standard (or "RPS") Charge. You can calculate the specific amount of your QFCP Charge and your RPS Charge each month by doing the following:

1. Identify the number of kilowatt hours of electricity you consumed during the monthly billing period, which is indicated on your Delmarva Power bill.
2. To calculate your monthly QFCP Charge: Multiply the number of kilowatt hours of electricity you consumed for the month by the QFCP rate for the same month. The monthly QFCP rate is set forth in the table below. The resulting number will equal your QFCP Charge for that month.
3. To calculate your monthly RPS Charge: Multiply the number of kilowatt hours of electricity you consumed for the month by the RPS rate for the same month. The monthly RPS rate is set forth in the table below. The resulting number will equal your RPS Charge for that month.

Example QFCP Charge Calculation

Kilowatt hours consumed in June 2015 billing month 975 kWh

X

QFCP charge per kWh for June 2015 billing month $.004045

QFCP Charge for June 2015 billing month = $3.94

Example RPS Charge Calculation

Kilowatt hours consumed in June 2015 billing month 975 kWh

X

RPS charge per kWh for June 2015 billing month $.003948

RPS Charge for June 2015 billing month = $3.84

INTERNET ACCESSIBLE TABLE LINKED TO RPS & QFCP-RC TARIFF

Delmarva Power & Light Company

Customer Class	April 2015 Billing			May 2015 Billing			June 2015 Billing		
	QFCP[1]	RPS[2]	TOTAL RPCR[3]	QFCP[1]	RPS[2]	TOTAL RPCR[3]	QFCP[1]	RPS[2]	TOTAL RPCR[3]
Residential[4]	$ 0.004455	$ 0.003448	$ 0.007903	$ 0.005512	$ 0.003448	$ 0.008960	$ 0.004045	$ 0.003948	$ 0.007993
Residential- Space Heating	$ 0.004455	$ 0.003448	$ 0.007903	$ 0.005512	$ 0.003448	$ 0.008960	$ 0.004045	$ 0.003948	$ 0.007993
Residential Time-of-Use NON-Demand "R-TOU-ND"	$ 0.004455	$ 0.003448	$ 0.007903	$ 0.005512	$ 0.003448	$ 0.008960	$ 0.004045	$ 0.003948	$ 0.007993
Small General Service - Secondary Non-Demand "SGS-ND"	$ 0.004455	$ 0.003448	$ 0.007903	$ 0.005512	$ 0.003448	$ 0.008960	$ 0.004045	$ 0.003948	$ 0.007993
Space Heating Secondary Service "SGS-ND" and "MGS-S"	$ 0.004455	$ 0.003448	$ 0.007903	$ 0.005512	$ 0.003448	$ 0.008960	$ 0.004045	$ 0.003948	$ 0.007993
Water Heating Secondary Service "SGS-ND" and "MGS-S"	$ 0.004455	$ 0.003448	$ 0.007903	$ 0.005512	$ 0.003448	$ 0.008960	$ 0.004045	$ 0.003948	$ 0.007993
Outdoor Recreational Lighting Svc - Secondary "ORL"	$ 0.004455	$ 0.003448	$ 0.007903	$ 0.005512	$ 0.003448	$ 0.008960	$ 0.004045	$ 0.003948	$ 0.007993
Medium General Service - Secondary "MGS-S"	$ 0.004455	$ 0.003448	$ 0.007903	$ 0.005512	$ 0.003448	$ 0.008960	$ 0.004045	$ 0.003948	$ 0.007993
Large General Service - Secondary "LGS-S"	$ 0.004455	$ 0.003448	$ 0.007903	$ 0.005512	$ 0.003448	$ 0.008960	$ 0.004045	$ 0.003948	$ 0.007993
General Service - Primary "GS-P"	$ 0.004335	$ 0.003448	$ 0.007783	$ 0.005363	$ 0.003448	$ 0.008811	$ 0.003936	$ 0.003948	$ 0.007884
General Service - Transmission "GS-T"	$ 0.004265	$ 0.003448	$ 0.007713	$ 0.005277	$ 0.003448	$ 0.008725	$ 0.003873	$ 0.003948	$ 0.007821
Outdoor Lighting PL	$ 0.004455	$ 0.003448	$ 0.007903	$ 0.005512	$ 0.003448	$ 0.008960	$ 0.004045	$ 0.003948	$ 0.007993
Outdoor Lighting SL	$ 0.004455	$ 0.003448	$ 0.007903	$ 0.005512	$ 0.003448	$ 0.008960	$ 0.004045	$ 0.003948	$ 0.007993

Notes

[1] The QFCP (Qualified Fuel Cell Provider) charge is forecast and trued up on a monthly basis.

[2] The RPS (Renewable Portfolio Standard) charge is computed annually and is in effect June 1st of each year.

[3] The RPCR (Renewable Portfolio Compliance Rate) varies monthly and is the sum of QFCP & RPS charges.

[4] For June 2015 the QFCP Cost to the average Residential Customer(975 KWH) is $3.94; the Estimated Avoided Cost is ($2.12); resulting in an Estimated Net Cost of $1.82.