BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY FOR AN INCREASE IN ELECTRIC BASE RATES AND MISCELLANEOUS TARIFF CHANGES (FILED DECEMBER 2, 2011)	)))))	PSC DOCKET NO. 11-528

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ORDER NO. 8088

AND NOW, this 10th day of January, 2012:

WHEREAS, on December 2, 2011, Delmarva Power & Light Company ("Delmarva" or the "Company") filed with the Delaware Public Service Commission (the "Commission") an application (the "Application") seeking approval of: (a) an increase in its electric base rates; (b) approval of several new rate mechanisms; and (c) miscellaneous tariff changes; and

WHEREAS, in its Application, Delmarva represents that it is seeking an increase in annual operating revenues of $31,760,741, or 4.97% over present rates; and

WHEREAS, the Commission having determined that, pursuant to the authority granted to it by 26 *Del. C.* §306(a)(1), Delmarva's Application shall be suspended pending the completion of evidentiary hearings into the justness and reasonableness of the proposed new rates and tariffs and a final decision of the Commission; and

WHEREAS, the Company has requested the Commission to enter an order pursuant to 26 *Del. C.* §306(c) permitting interim rates intended to produce an annual increase in intrastate operating revenues of $2.5 million to be placed into effect on January 31, 2012, subject to

refund, in the event the Commission suspends the proposed rate increase; and

WHEREAS, the Company represents that it will abide by any Commission refund order and therefore requests the Commission to waive the requirement of 26 *Del. C.* §306(b) that a bond with surety be filed in connection with the implementation of interim rates; and

WHEREAS, the Company requests a waiver of Part II, Paragraphs B(1-5), Part V, Paragraph C (8), and Part V, Paragraph C(14) of the Commission's Minimum Filing Requirements because the information has either already been provided or is not relevant to this Application;

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

1. That the rates and revised tariff sheets filed by Delmarva Power & Light Company on December 2, 2011 are hereby suspended pursuant to 26 *Del. C.* §306(a)(1) and, subject to the implementation of interim rates as authorized herein, shall not be placed into force or effect except pursuant to law or further Order of the Commission, and then only to the extent such law or further Commission Order may permit or allow.

2. That the proposed non-rate modifications to its tariffs be suspended until such time as a final Order in this proceeding is issued.

3. That the proposed revenue decoupling rate design be suspended until such time as a final Order in this proceeding is issued.

4. That Delmarva's request to implement interim rates effective January 31, 2012 intended to produce an annual increase of $2.5 million in intrastate operating revenues, is granted with proration and subject to refund.

5. That Delmarva's request to waive the requirement of 26 *Del. C.* §304(b) of a bond with surety with respect to the interim rates is granted, conditioned on Delmarva's representation that it will abide by any Commission refund order.

6. That Delmarva's request to waive Part II, Paragraph B(1), Part V, Paragraph C(8) and Part V, Paragraph C(14) of the Minimum Filing Requirements is granted.

7. That Delmarva Power & Light Company shall give public notice of the filing of this application with the proposed rate changes and this action by the Commission, by publishing notice in the form attached hereto as Exhibit "A" in two-column format, outlined in black, in the legal classified section of The News Journal and The Delaware State News newspapers on **January 17 and 18, 2012.** Delmarva Power & Light Company shall submit proof of such publication as soon as possible, but no later than the commencement of the evidentiary hearings concerning this matter.

8. That Ruth Ann Price is designated as Hearing Examiner for this matter pursuant to the terms of 26 *Del. C.* §502 and 29 *Del. C.* ch. 101 to schedule and conduct, upon due notice, such public comment sessions and evidentiary hearings, as may be necessary, to have a full and complete record concerning the justness and reasonableness of the

proposed increased rates and tariff modifications. Thereafter, Hearing Examiner Price shall file with the Commission her proposed findings and recommendations. Pursuant to Rule 21 of the Commission's Rules of Practice and Procedure, Hearing Examiner Price is specifically delegated the authority to grant or deny petitions seeking leave to intervene and for admission of counsel *pro hac vice*. In addition, Hearing Examiner Price is delegated the authority, under 26 *Del. C.* §102(A), to determine the form and manner of any further public notice in this matter.

9. That the deadline for filing petitions to intervene pursuant to Rule 21 of the Commission's Rules of Practice and Procedure shall be **Friday, February 17, 2012.** Late-filed petitions to intervene will not be granted unless good cause is shown.

10. Delmarva Power & Light Company is hereby placed on notice that the costs of the proceedings will be charged to it under the provisions of 26 *Del. C.* §114(b)(1).

11. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary

E X H I B I T "A"

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PUBLIC NOTICE OF APPLICATION OF DELMARVA POWER & LIGHT COMPANY FOR AN INCREASE IN ELECTRIC BASE RATES AND MISCELLANEOUS TARIFF CHANGES

TO: ALL ELECTRIC CUSTOMERS OF DELMARVA POWER & LIGHT COMPANY:

On December 2, 2011, Delmarva Power & Light Company ("Delmarva" or "the Company") filed an application with the Delaware Public Service Commission ("the Commission") seeking approval for an increase in its electric base rates and for miscellaneous tariff changes.

In its application, Delmarva seeks an increase in annual operating revenues of $31,760,741, or 4.97% over existing rates.

SERVICE CLASSIFICATION	**PROPOSED INCREASED DELIVERY CHARGES**	
	AMOUNT ($000)	**PERCENT (% OF TOTAL REVENUES)**
R and RTOU-ND	$15,993	5.37%
R-Space Heating	$7,014	4.75%
SGS-ND	$0	0%
GS Space Heating	$0	0%
GS Water Heating	$0	0%
MGS-S	$0	0%
LGS-S	$1,354	7.76%
GS-P	$5,039	16.48%
GS-T	$75	0.33%
OL	$2,280	20.52%
ORL	$5	10.20%
TOTAL	**$31,760**	4.97%

On January 10, 2012, in Order No. 8088, pursuant to 26 *Del. C.* §306(a)(1), the Commission suspended the effectiveness of the proposed new rates and tariff revisions pending further investigation, public comment sessions, and public evidentiary hearings, which will be held later after further public notice. However, in Order No. 8088 , pursuant to 26 *Del. C.* §306(c), the Commission authorized Delmarva to place a portion of its proposed increases into effect, subject to refund, sixty (60) days after the initial December 2, 2011 filing date, or on January 31, 2012. The Commission also granted Delmarva's request to waive the requirement of a bond with surety with respect to the implementation of the interim rates.

The Commission will make its decision on this matter on the basis of the record evidence taken at the public evidentiary hearings. The Commission may approve or reject, in whole or in part, the proposed increase and tariff revisions and may approve a different method for allocating any increase should one be found to be appropriate.

You are invited to review Delmarva's application and supporting documents to determine how your interest may be affected. You may review the documents during normal business hours in the Commission's Dover office at the address listed below or on the Commission's website at depsc.delaware.gov/electric.shtml. You may also review copies of Delmarva's application and supporting documents at the office of the Division of the Public Advocate located at the Carvel State Office Building, 4th Floor, 820 North French Street, Wilmington, Delaware 19801. Please call (302) 577-5077 to arrange for a time to review the documents at that location.

If you wish to participate as a party in this docket, with the right to present evidence and be heard by counsel, you must file a petition to intervene under Rule 21 of the Commission's Rules of Practice and Procedure. You must file that petition on or before **Friday, February 17, 2012** at the Commission's office located at:

Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building
Suite 100
Dover, Delaware 19904
ATTN: PSC Docket No. 11-528

Late-filed petitions will not be considered unless good cause is shown.

If you have a disability and wish to participate, or to review the materials, in these proceedings, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail, or other means. If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302)736-7500 (voice and text telephone). You may also send questions or request information by Internet e-mail addressed to "patricia.gannon@state.de.us."