

Delmarva Power & Light Company
2023/2024 Gas Cost Rate
Docket No. 23-1161
Application



STATE OF DELAWARE
THE PUBLIC SERVICE COMMISSION
CANNON BUILDING
861 SILVER LAKE BLVD., SUITE 100
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7529
TELECOPIER: (302) 739-4849

FILING COVER SHEET

1. NAME OF APPLICANT: Delmarva Power & Light Company
2. TYPE OF FILING: RATE CHANGE ☒
FUEL ADJUSTMENT ☐
ADMINISTRATIVE ☐
CPCN ☐
NEW SERVICE OFFERING ☐
OTHER - DESCRIBE ☐

IF A TELECOMMUNICATIONS FILING, WHAT TYPE OF SERVICE IS IMPACTED?

BASIC _____ COMPETITIVE _____ DISCRETIONARY _____

3. PROPOSED EFFECTIVE DATE: November 1, 2023
- IS EXPEDITED TREATMENT REQUESTED? YES ☐ NO ☒

4. SHORT SUMMARY OF FILING
Annual Gas Cost Rate Filing

5. DOES THIS FILING RELATE TO OTHER DOCKETS: YES ☐ NO ☒

IF YES, LIST DOCKET(S) NO(S): _____

6. IS PUBLIC NOTICE REQUIRED? YES ☒ NO ☐
IF YES, PLEASE ATTACH COPY OF PROPOSED PUBLIC NOTICE.

7. APPLICANT'S CONTACT PERSON: NAME: Brian T.N. Jordan
TITLE: Assistant General Counsel
PHONE: (302) 429-3786
FAX: (302) 429-3801
EMAIL: Brian.Jordan@ExelonCorp.com
WEBSITE (IF APPLICABLE) _____

8. DID YOU PROVIDE A COMPLETE COPY OF THE FILING TO THE PUBLIC ADVOCATE?
YES ☒ NO ☐ IF YES, WHEN? Concurrent with filing

9. FILING FEE ENCLOSED: AMOUNT: \$ _____

NOTE: House Bill 681, enacted into law 7/13/98, authorizes the Commission to recover the cost of time spent by in-house staff to process all filings initiated after the date of enactment. You may be required to reimburse the Commission for staff time.

Brian T.N. Jordan
Assistant General Counsel

302.429.3786 – Telephone
302.429.3801 – Facsimile

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

Brian.Jordan@exeloncorp.com

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

August 30, 2023

FILED VIA DELAFILE

Malika Davis, Acting Secretary
Delaware Public Service Commission
Cannon Building, Suite 100
861 Silver Lake Boulevard
Dover, DE 19904

Re: Application for Approval of the 2023-24 Gas Cost Rate
Public Version

Dear Acting Secretary Davis:

Enclosed for filing is Delmarva Power & Light Company's ("Delmarva") 2023-24 Gas Cost Rate Application. Delmarva is filing two (2) versions of this Application, a Public Version and a Confidential Version. This is the Public Version of the Application. This version contains redacted material in the direct testimony of Witness James B. Jacoby and supporting exhibits, and in the direct testimony of Witness Serena Wilson-Archie. The redacted material appears in the Confidential Version.

Should you have any questions or require any additional information, please do not hesitate to contact me at brian.jordan@exeloncorp.com or Diane Goff at diane.goff@pepcoholdings.com.

Very truly yours,

/s/ **Brian Jordan**

Brian Jordan
Delaware State Bar Id. #5501

Enclosures

cc: Islah Causey (w/enclosures)
Malika Davis (w/enclosures)
Sommer Poppe, Esquire (w/enclosures)
Ruthann Price (w/enclosures)
Regina Iorii, Esquire (w/enclosures)
Diane Goff (w/enclosures)
Robert Coan (w/enclosures)
James Jacoby (w/enclosures)
Serena Wilson-Archie (w/enclosures)

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

**IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY)
FOR APPROVAL OF MODIFICATIONS) PSC Docket No. 23-____
TO ITS GAS COST RATES)
(Filed August 30, 2023)**

**APPLICATION OF DELMARVA POWER & LIGHT COMPANY
FOR APPROVAL OF MODIFICATIONS
TO ITS GAS COST RATES**

Delmarva Power & Light Company (“Delmarva Power” or the “Company”) makes the following application, pursuant to 26 *Del. C.* §§ 303(b) and 304, for approval of modifications to its Gas Cost Rates (“GCR”). In support of its application, Delmarva states as follows:

1. The Applicant is Delmarva Power & Light Company, 500 N. Wakefield Drive, Newark, Delaware, 19702. All communications concerning this Application should be sent to Diane Goff at the above address, and to Counsel for the Applicant identified in Paragraph 2.
2. Counsel for Delmarva Power is Brian Jordan, Delmarva Power & Light Company, 500 North Wakefield Drive, Newark, Delaware, 19702.
3. Delmarva Power requests approval of the following proposed changes to its GCR:

| | <u>Present</u> | | <u>Proposed</u> | |
|---------------------------------|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|
| | <u>GCR Demand Charge</u> | <u>GCR Commodity Charge</u> | <u>GCR Demand Charge</u> | <u>GCR Commodity Charge</u> |
| <u>Rate Schedules</u> | | | | |
| RG, RGSH, GG, GL and N/E MVG | N/A | 72.1875¢/ccf | N/A | 43.071¢/ccf |
| Electing MVG and LVG | \$1.8638/Mcf | Varies | \$1.7494/Mcf | Varies |
| Standby Service | \$1.8638/Mcf | N/A | \$1.7494/Mcf | N/A |

4. For this Application, Delmarva Power is assessing the bill impact using 56 ccf of gas, which is the average monthly usage for a twelve-month period. Based upon this assessment, a typical residential space heating customer would see a decrease of \$16.30 or 18.1%, from \$89.91 to \$73.61, on a typical monthly bill. Those customers served on Service Classification GG will see a decrease on their bills within the range of 8.4% to 25.7%. Customers served on Service Classification MVG will see a decrease on their bills within the range of 23.9% and 33.2%. The amount of the decrease for these customers will depend upon their load and usage characteristics.

5. Delmarva Power requests approval of the proposed Balancing Charge and Pressure Support fee as discussed in the attached testimony of Witness Bob Coan, and the approval of the Transition Cost Adjustment Charge as described in the testimony of Witness Serena Wilson-Archie for the November 2023-October 2024 GCR period. Delmarva's application also includes a refund of an over-recovery balance of \$9,793,458.

6. Delmarva Power moves under 26 *Del. C.* § 306 that its proposed GCR rate changes become effective for usage on and after November 1, 2023, with proration. More specifically, § 306(a)(2) provides the Commission the discretion to “[d]etermine that a portion of such change shall become effective not later than 60 days after the filing of the petition on a temporary basis pending the final decision of the Commission.”

7. Delmarva Power moves that its proposed tariff modifications to its Gas Tariff also become effective on and after November 1, 2023.

8. Delmarva Power is including the following direct testimonies and schedules in support of this application:

- a. Robert Coan, Senior Rate Analyst, Pricing & Regulatory Services for Pepco Holdings, LLC. Mr. Coan's testimony and schedules address the development of the GCR based on the Gas Service Tariff, the Balancing Charge and the Pressure Support Fee for Gas Transportation Customers, compliance with the provisions of Paragraphs 9, 10 and 12 of the Settlement Agreement approved by Commission Order No. 10221, the audit of the 2022 Calendar year, and the Company's change to the Transition Cost Adjustment Charge.
 - b. Serena Wilson-Archie, Director, Regional Operations-Gas for Delmarva Power & Light Company. Ms. Wilson-Archie's testimony and schedules address the overall development of Delmarva Power's gas sales, transportation, and sendout volume forecasts, the Lost and Unaccounted for gas percentage applicable to Delmarva Power's firm bundled sales and transportation customers, compliance with the Proposed Settlement Agreement approved by Order No. 10221, the Transition Cost Adjustment Charge, and the Company's consumer education activities and Budget Billing.
 - c. James B. Jacoby, Senior Manager Gas Supply and Transportation for Delmarva Power & Light Company. Mr. Jacoby's testimony and schedules address the Company's calculation of the total estimated gas supply costs and the Company's natural gas hedging program. Mr. Jacoby also testifies about the status of Delmarva Power's Reserve Margin and any changes.
9. Delmarva Power has also included tariff leaves showing the proposed changes.

BASED ON THE ABOVE, Delmarva requests that the Commission issue an order directing the Company to publish the attached public notice and, after hearing, approve the proposed Gas Cost Rates and other requests described herein.

Respectfully submitted,

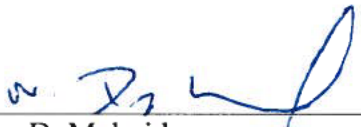
/s/ **Brian Jordan**
Brian Jordan (Del. ID 5501)
Delmarva Power & Light Company
500 North Wakefield Drive
Mailstop 92DC42
Newark, DE 19702
brian.jordan@exeloncorp.com

DATED: August 30, 2023

STATE OF DELAWARE)
) ss.
COUNTY OF NEW CASTLE)

On this 30th day of August, 2023 personally came before me, the subscriber, a Notary Public in and for the State and County above, William D. Mokoid, President, Delmarva Power & Light Company, a corporation existing under the laws of the State of Delaware, party to this Application, known to me personally to be such, and acknowledged this Application to be his act and deed and the act and deed of such Corporation, that the signature of such President is in his own proper handwriting, and that the facts set forth in this Application are true and correct to the best of his knowledge and belief.

REGARDING: Gas Cost Rates Supplemental Rate Filing.



William D. Mokoid
President – Delmarva Power

SWORN TO AND SUBSCRIBED before me this 30th day of August 2023.



NOTARY PUBLIC
My Commission expires: 3/29/2025



IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY)
FOR APPROVAL OF MODIFICATIONS) **PSC Docket No. 23-____**
TO ITS GAS COST RATES)
(Filed August 30, 2023)

WHEREAS, pursuant to 26 *Del. C.* §§ 306(a)(2), upon the filing of a petition for a proposed change to any rate, the Commission may determine that a portion of such change shall become effective not later than sixty (60) days after the filing of a petition on a temporary basis pending the final decision of the Commission;

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

1. Pursuant to 26 *Del. C.* §§ 304 and 306(a)(2), the Commission determines that the proposed changes to Delmarva's Balancing Charge and Pressure Support Fee as well as Delmarva's GCR rates and the accompanying proposed tariff revisions as set forth in the Application are permitted to become effective for natural gas usage on or after November 1, 2023, with proration and subject to refund, pending a final decision of the Commission:

| | <u>Present</u> | | <u>Proposed</u> | |
|---------------------------------|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|
| | <u>GCR Demand Charge</u> | <u>GCR Commodity Charge</u> | <u>GCR Demand Charge</u> | <u>GCR Commodity Charge</u> |
| <u>Rate Schedules</u> | | | | |
| RG, RGSH, GG, GL and N/E MVG | N/A | 72.187¢/ccf | N/A | 43.071¢/ccf |
| Electing MVG and LVG | \$1.8638/Mcf | Varies | \$1.7494/Mcf | Varies |
| Standby Service | \$1.8638/Mcf | N/A | \$1.7494/Mcf | N/A |

2. The Commission shall not assign this docket to a Hearing Examiner to conduct an evidentiary hearing, but, rather, shall conduct an evidentiary hearing on the Application during its regularly-scheduled meeting on _____, at ____ p.m. at 861 Silver Lake Boulevard, 1st Floor Hearing Room, Cannon Building, Dover, DE 19904.

3. As outlined in the form of Public Notice, interested persons or entities are afforded the opportunity to file written comments or objections to the proposed changes in the GCR. Such written comments or objections must be filed *on or before* _____, 2023. In addition, the Commission will accept public comments on the Application immediately prior to the commencement of the evidentiary hearing on _____, 202____.

4. Pursuant to 26 *Del. C.* § 502 and 29 *Del. C.* ch. 101, the Commission designates Hearing Examiner _____ for the sole purpose of considering any petitions for intervention that may be filed in this docket.

5. Delmarva Power & Light Company shall provide public notice of the filing of its Application, this Order and the date of the evidentiary hearing by publishing notices in the form attached hereto as Exhibit “A” in the legal classified section of The News Journal newspaper in two-column format, outlined in black, on _____, 2023. Proof of such publication is to be provided to the Commission as soon as practical but not later than the commencement of the evidentiary hearing concerning this matter.

6. The deadline for intervention pursuant to 26 *Del. Admin C.* §1001-2.9 shall be _____, 2023. Petitions for intervention that are not received by the Commission **on or before** _____, **2023**, will not be granted unless good cause is shown. In addition, any intervenor wishing to oppose the Application must e- file written prefiled testimony with the Commission pursuant to the Rules of Practice and Procedure of the Commission (26 *Del. Admin C.* §1001-6.4), on or before _____, 2023. Copies of such testimony must be served on the following persons:

Sommer Poppe, Esquire
Public Service Commission
820 N. French Street
Wilmington, DE 19801
(302) 577-8637
sommer.poppe@delaware.gov

Regina A. Iorri, Esquire
Division of the Public Advocate
820 N. French Street
Wilmington, DE 19801
(302) 577-8159
regina.iorri@delaware.gov

Islah Causey
Delaware Public Service Commission
861 Silver Lake Blvd., Suite 100
Dover, DE 19904
(302) 736-7535
islah.causey@delaware.gov

Ruthann Price
Public Advocate
29 South State Street
Dover, DE 19901
(302) 241-2550
ruthann.price@delaware.gov

Diane M. Goff
Delmarva Power & Light Company
Manager, Regulatory Affairs
500 N. Wakefield Drive
Newark, DE 19702
Diane.Goff@pepcoholdings.com

Malika Davis
Acting Secretary
Delaware Public Service Commission
861 Silver Lake Blvd., Suite 100
Dover, DE 19904
(302) 736-7521
malika.davis@delaware.gov

Brian Jordan, Esquire
Delmarva Power & Light Company
Assistant General Counsel
500 North Wakefield Drive
Newark, DE 19702-5440
(Private Mail Service) or
P. O. Box 6066
Mail Stop: 92DC42
Newark, DE 19714-6066
brian.jordan@exeloncorp.com

Robert Coan
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Regulatory Compliance Pricing
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Newark, DE 19702
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P.O. Box 6066
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Newark, DE 19714-6066
bob.coan@pepcoholdings.com

James B. Jacoby
Delmarva Power & Light Company
Manager Gas Supply and Transportation
630 Martin Luther King Jr Boulevard
Wilmington, DE 19801
(Private Mail Service) or
Mail Stop: 88MK62
P.O. Box 231
Wilmington, DE 19899-231
jim.jacoby@pepcoholdings.com

Serena Wilson-Archie
Delmarva Power & Light Company
Sr. Manager, Gas and Plant Operations
630 Martin Luther King Jr Boulevard
Wilmington, DE 19801
(Private Mail Service) or
Mail Stop: 88MK62
P.O. Box 231
Wilmington, DE 19899-231
serena.wilson-arche@exeloncorp.com

Any written pre-filed testimony sent by an intervenor that is not received by the Commission *on*
or before _____, 2023 shall not be considered.

7. Delmarva Power & Light Company is hereby put on notice that it will be charged the costs incurred by the Commission Staff and the Division of the Public Advocate in connection with this proceeding under the provisions of 26 *Del. C.* §114(b)(1).

8. 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

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

PUBLIC NOTICE

DP&L's Gas Cost Rate, PSC Docket No. 23-

Pursuant to 26 *Del. C.* §§ 303 and 304, Delmarva Power & Light Company (“Delmarva” or the “Company”) has filed an Application with the Delaware Public Service Commission (“Commission”). If the Company’s Application is approved by the Commission as filed, the average residential gas space heating customer using 56 ccf of gas would see a decrease in their monthly bill of \$16.30, or 18.1%, during the year.

The Application requests a decrease in Gas Cost Rates as follows:

| <u>Rate Schedules</u> | <u>Present</u> | | <u>Proposed</u> | |
|---------------------------------|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|
| | <u>GCR Demand Charge</u> | <u>GCR Commodity Charge</u> | <u>GCR Demand Charge</u> | <u>GCR Commodity Charge</u> |
| RG, RGSH, GG, GL and N/E MVG | N/A | 72.187¢/ccf | N/A | 43.071¢/ccf |
| Electing MVG and LVG | \$1.8638/Mcf | Varies | \$1.7494/Mcf | Varies |
| Standby Service | \$1.8638/Mcf | N/A | \$1.7494/Mcf | N/A |

In addition, the Application requests approval of the Balancing Charge and Pressure Support Fee for the November 2023-October 2024 GCR period or until such time as a new rate design has been approved. The Commission has permitted the proposed Gas Cost Rates and other rate related modifications to become effective as of November 1, 2023, subject to refund after evidentiary hearings and further proceedings. The Commission's action on this Application will be based upon the evidence presented at evidentiary hearings to be scheduled at a later date.

By Order No. _____ dated _____, 2023, the Commission permitted the proposed rates to become effective with usage on and after November 1, 2023, with proration, subject to modification and refund after an evidentiary hearing.

On _____, 202_, starting at 1:00 p.m., the Commission will consider whether to grant Delmarva's Application. The evidentiary hearing will be held at the Commission's office located at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904, or it may be held telephonically in accordance with any outstanding Declaration of a State of Emergency with a phone number provided by the Commission. The Commission will render a decision based upon the evidence presented to it at this evidentiary hearing.

Interested persons or entities are afforded the opportunity to file written comments or objections to the proposed change in the GCR rate. Such written comments or objections must be filed *on or before* _____, **2023**. Please send these written comments to the Commission's address listed above and note the "attention to" as "PSC Docket No.

23-_____.” Written comments may also be submitted electronically at <https://delafile@state.delaware.gov/>.

In addition, the Commission will accept public comments on the Application immediately prior to the commencement of the evidentiary hearing on _____, 202__.

If you wish to formally participate as a party in this docket, with the right to submit evidence and to be represented by counsel, you must file with the Commission a written petition asking for leave to intervene in this docket in accordance with the requirements of the Commission’s Rules of Practice and Procedure (26 *Del. Admin C.* §1001-2.9) ***on or before*** _____, **2023**. All such petitions should be e-filed according to the Rules. Petitions for intervention that are not received by the Commission ***on or before*** _____, **2023**, will not be granted unless good cause is shown. Petitions received thereafter will not be considered except for good cause shown. If intervention status is granted, any intervenor wishing to oppose the Application shall file written prefiled testimony with the Commission ***on or before*** _____, **2023**. Any submissions sent by an intervenor that are not received by the Commission ***on or before*** _____, **2023** will not be considered. Such written submissions shall also be served on the persons identified in Order No. ____ in this docket dated _____.

You are invited to review Delmarva’s Application and supporting documents to determine how your interests may be affected. You may review documents posted on the Commission’s website at <https://delafile@state.de.gov>. If you would like to review documents at the Commission’s offices, please contact Malika Davis at malika.davis@delaware.gov to arrange a time for your review. You may also review copies of the Company’s Application and supporting documents at the office of the Division of the Public Advocate located at 29 South State Street, Dover, DE 19901. Please call (302) 241-2545 to arrange for a time to review the documents at that location.

If you wish to request copies of the documents in this matter, please submit a Freedom of Information Act Request Form. This form may be found at <http://smu.portal.delaware.gov/cgi-bin/mail/php?foia-request&subj=DOS>. There is also a link to the Freedom of Information Act Request Form on the Commission’s website at

<https://delafile.delaware.gov>. The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 *Del. C. ch.* 100.

Any individual with a disability desiring to participate in these proceedings or to review the filings should contact the Commission to discuss any auxiliary aids or services needed. The Commission Staff can also provide additional information about this docket. 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 regarding this matter by Internet e-mail addressed to psc@state.de.us; include "PSC Docket No. 23-_____" as the subject.

BRIEFING SHEET
2023- 2024 GAS COST RATE
DELAWARE PSC DOCKET NO. 23-

SUBJECT: Delmarva Power & Light Company's Application to establish its annual commodity cost rate and the demand cost rate components of the Gas Cost Rate ("GCR") for the period November 1, 2023 through October 31, 2024.

CHANGE SOUGHT: Delmarva seeks to revise the GCR demand and commodity charge applicable to Service Classifications MVG and LVG, to revise the volumetrically applied GCR factors applicable to Service Classifications RG, RGS, GG, GL, and non-electing MVG, effective on November 1, 2023, with proration. The proposed GCR factors, compared to the presently effective charges, are shown below:

| <u>Rate Schedules</u> | <u>Present</u> | | <u>Proposed</u> | |
|--------------------------------|-------------------------|----------------------------|-------------------------|----------------------------|
| | GCR Demand Charge | GCR Commodity Charge | GCR Demand Charge | GCR Commodity Charge |
| RG, RGS, GG, GL and N/E MVG | N/A | 72.187¢/ccf | N/A | 43.071¢/ccf |
| Electing MVG and LVG | \$1.8638/Mcf | Varies | \$1.7494/Mcf | Varies |
| Standby Service | \$1.8638/Mcf | N/A | \$1.7494/Mcf | N/A |

REASONS FOR FILING: To establish the Gas Cost Rate factors for the twelve-month period November 2023 through October 2024. Section XX - Gas Cost Rate Clause of Delmarva's Gas Service Tariff requires, among other things, the submission of the Company's estimated annual gas costs for the twelve-month period beginning with the November billing month.

EFFECTIVE DATE: Effective with usage on and after November 1, 2023, with proration.

IMPACT ON CUSTOMERS: A typical residential space heating customer having a 12 month average of 56 CCF per month would have a decrease of \$16.30 or 18.1%, from \$89.91 to \$73.61, on a typical monthly bill. Gas supply costs included in the proposed GCR would represent approximately 33% of the typical residential space heating customer bill amount. Customers served on Service Classification GG will experience a decrease on their bills within the range of 8.4% to 25.7%. Customers served on Service Classification MVG will experience a decrease on their bills within the range of 23.9% and 33.2%. The amount of the decrease for these customers will depend upon their load and usage characteristics

DELMARVA POWER & LIGHT COMPANY
2023-2024 GAS COST RATE CASE PUBLIC
TESTIMONY OF
SERENA WILSON-ARCHIE

**BEFORE THE
DELAWARE PUBLIC SERVICE COMMISSION**

**DELMARVA POWER & LIGHT COMPANY
GAS COST RATE CASE
NOVEMBER 2023 THROUGH OCTOBER 2024
DOCKET NO. 23-_____**

**DIRECT TESTIMONY
OF
SERENA WILSON-ARCHIE**

August 30, 2023

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I. INTRODUCTION AND PURPOSE

Q1. Please state your name, occupation, and business address.

A1. My name is Serena Wilson-Archie, Director, Regional Operations-Gas for Delmarva Power & Light Company (“Delmarva Power” or the “Company”). My business address is 630 Martin Luther King, Jr. Boulevard, PO Box 231, Wilmington, Delaware 19899-0231.

Q2. What are your responsibilities in your role as Director, Regional Operations-Gas?

A2. I am responsible for all aspects of construction, engineering, planning, reliability, and operations and maintenance for the regulated gas utility, serving more than approximately 139,000 customers in Delmarva Power’s New Castle County service territory.

Q3. What were your responsibilities in your prior role?

A3. In my prior role as Sr. Manager, Gas and Plant Operations, I oversaw the day-to-day delivery of natural gas to Delmarva Power’s customers. I was responsible for the operation of Delmarva Power’s Gas Operations Control Room, its Liquefied Natural Gas (“LNG”) Plant and its gate and regulator stations. In addition, I was responsible for field operations and maintenance for the regulated gas utility serving customers in Delmarva Power’s service territory.

Q4. Please briefly summarize your educational and professional background.

A4. I am a graduate of Drexel University with both a Bachelor of Science degree in Civil Engineering and a Master of Science degree in Electrical Engineering. I also have

1 a Master of Business Administration from the University of Phoenix. I joined the
2 Exelon family of companies in 2000 and have held several leadership roles at PECO
3 Energy Company and Exelon Power in functions including Compliance, Plant
4 Maintenance, Project Management, and Engineering. In 2019, I joined Delmarva
5 Power in the position of Manager of Engineering. In 2021, I was promoted to Sr.
6 Manager, Gas and Plant Operations and in 2022, I was promoted to my current role.

7
8 **Q5. Have you previously provided testimony to the Delaware Public Service**
9 **Commission?**

10 A5. Yes. I have provided written testimony to the Delaware Public Service
11 Commission ("Commission"), on behalf of Delmarva Power Gas Delivery for Gas
12 Base Rate Case Docket No. 22-0002 and for the Gas Cost Rate Case Docket No. 22-
13 0726.

14 **Q6. What is the purpose of your testimony in this proceeding?**

15 A6. The purpose of my testimony is to support Delmarva Power's Application for
16 revisions to the Gas Cost Rate ("GCR"), proposed to be effective during the period
17 November 2023 through October 2024. My testimony will address the overall
18 development of Delmarva Power's gas sales, transportation, and sendout volume
19 forecasts, and the Lost and Unaccounted for gas ("LAUF") percentage applicable to
20 Delmarva Power's firm bundled sales and transportation customers utilized in the
21 calculation of the proposed GCR. My testimony will also address three provisions of
22 the Proposed Settlement Agreement in PSC Docket No. 22-0726, approved by Order

1 No. 10221, in the 2022-2023 GCR filing. The provisions pertain to Transportation
2 customers returning to Sales Service, the allocation of incremental Liquified Natural
3 Gas (“LNG”) trucking costs, and improvements in the GCR process. I will also update
4 the Transition Cost Adjustment Charge (“TCAC”) and address the Company’s
5 consumer education activities and Budget Billing. My Direct Testimony was prepared
6 by me or under my direct supervision and control. The source documents for my
7 testimony are Company records and public documents. I also rely on my personal
8 knowledge, education, and professional experience.

9 **Q7. Are you sponsoring any schedules in this proceeding?**

10 A7. Yes. I am sponsoring Schedule SWA-1, which contains the 2023 – 2024 Gas
11 Sales Budget. I am also sponsoring Schedule SWA-2, which shows the Lost and
12 Unaccounted for Gas calculation. In addition, I am sponsoring Schedule SWA-3,
13 which includes the Commercial and Industrial Sales Service and Transportation
14 Service Contract Maximum Daily Quantity (“MDQ”) totals. Further, I am sponsoring
15 Schedule SWA-4, which contains the History of Customers Switching to
16 Transportation Service. Finally, I am sponsoring Schedule SWA-5, which includes the
17 Transition Cost Adjustment Charge calculation.

18 **II. SALES FORECAST**

19 **Q8. What level of sales does Delmarva Power forecast for the 2023-24 GCR period?**

20 A8. As shown on Schedule SWA-1, for the 2023-24 GCR period, Delmarva Power
21 forecasts Firm Bundled Sales of 13,605,306 MCF. Firm Transportation volumes are
22 forecast at 5,744,978, resulting in total Firm Throughput of 19,350,284 MCF.

1 **Q9. Please summarize the comparison between the current forecast results and the**
2 **forecast filed with the Commission in Docket No. 22-0726.**

3 A9. As shown on Schedule SWA-1, forecasted Firm Bundled Sales decreased by
4 4.1%, the Firm Transportation decreased by 2.6%, and Firm Throughput decreased by
5 3.7%. The change in volume in the firm bundled sales forecast is primarily attributable
6 to a 2.4% increase in Residential Gas Service (RES) sales, a 1.1% decrease in
7 Residential Space Heating (RSH), and a 0.6% decrease in General Gas (GG) sales. The
8 decrease in the Firm Transportation sales forecast is attributable to a 4.3% decrease in
9 General Volume Firm Transportation (GVFT) sales, a 1.1% increase in Medium
10 Volume Firm Transportation (MVFT) sales, and a 3.8% decrease in Large Volume
11 Firm Transportation (LVFT) sales. Compared to last year's GCR forecast, the
12 following service customer classes reflect increased and decreased sales for the
13 upcoming GCR period:

- 14 • Residential Gas (RG) = +2.4%
- 15 • Residential Space Heating (RSH) = -1.1%
- 16 • General Gas (GG) = -0.6%
- 17 • Medium Volume Gas (MVG) = -0.9%
- 18 • General Volume Firm Transportation (GVFT) = -4.3%
- 19 • Medium Volume Firm Transportation (MVFT) = +1.1%
- 20 • Medium Volume Interruptible Transportation (MVIT) = -51.5%
- 21 • Large Volume Interruptible Transportation (LVIT) = +16.7%

22 During the time period August 2022 through July 2023, seven (7) Large
23 Volume or Transportation customer changes occurred. These included changes to

1 customer maximum daily quantities (“MDQ”), facility closings or additions, and rate
2 class changes. The totals by class are shown below:

3 **Table 1: Large Customer Counts by Rate Class**

| | MVG | LVG | | GVFT | MVFT | LVFT | | MVIT | LVIT |
|------------------------------|-----|-----|--|------|------|------|--|------|------|
| July 2022¹ | 14 | 0 | | 94 | 43 | 14 | | 3 | 5 |
| July 2023 | 14 | 0 | | 98 | 46 | 14 | | 3 | 5 |
| Change | 0 | 0 | | 4 | 3 | 0 | | 0 | 0 |

4 **Q10. Please describe the forecast methodology utilized this year.**

5 A10. The forecast continues to use the methodology utilized in prior years,
6 specifically, multi-variant econometric models for the projection of sales and customer
7 growth for the Residential, Residential Space Heat, and General Gas rate customers.
8 Although these rates classes are the most populous, they are generally designated as
9 the “small” customer classes because the average natural gas usage is less than the other
10 classes. The volumes for MVG, LVG and Gas Lighting Sales Service (“GL”) were
11 projected deterministically, on a customer-by-customer basis, which is possible
12 because these classes contain substantially fewer ratepayers than the small customer
13 classes. Monthly sales patterns for specific customers were adjusted to reflect any
14 recent customer information. The adjustments made include contract, production, or
15 maintenance schedule changes, load additions or subtractions, or other adjustments

¹ Figures shown for July 2022 in the previous GCR filing (Docket No. 22-0726) for MVG (15), LVFT (13) and LVIT (4) classes respectively, differ from the revised numbers shown in this current filing for July 2022.

1 particular to each customer's activity. Monthly sales in the Firm and Interruptible Gas
2 Transportation classes respectively ("FT", "IT") were developed in the same manner.

3 **Q11. How was normal weather defined?**

4 A11. The 30-year average of monthly Heating Degree Days ("HDD") on a 65-degree
5 Fahrenheit basis was used consistent with Delaware Public Service Commission
6 ("PSC") Order No. 6327 in Docket No. 03-127. The HDD history is based on NOAA
7 weather data collected at the "Wilmington" site located at New Castle County Airport,
8 New Castle, Delaware. The historic methods of using normal temperature data to
9 estimate sales continue in use for this forecast.

10 **Q12. Does the applied loss factor represent a change from the 2022-23 GCR filing?**

11 A12. Yes. The loss factor will change from the 2022-23 GCR filing. As shown on
12 Schedule SWA-2, the calculated result for the 24-month period ending June 30, 2023
13 is 3.5%.

14 **Q13. Has the Company's LAUF gas percentage increased since the 2022-23 GCR**
15 **filing?**

16 A13. No. However, recent prior year increases in Delmarva Power's LAUF is
17 concerning and as committed to in the Company's 2022-2023 GCR filing (Docket No.
18 22-0726), Delmarva Power has engaged a consultant to ascertain drivers for the recent
19 LAUF increases. The Company has kept the Division of Public Advocate ("DPA")
20 and the Commission Staff ("Staff") apprised of the progress.

1 Q14. Has there been any change to the methodology used by the Company to calculate
2 the loss factor in this filing?

3 A14. No. There has not been a change in the methodology since the 2022-2023 GCR
4 filing, which itself has been in place for several GCR cycles.

5 Q15. Did Delmarva Power incur any Pipeline penalties during the period August 2022
6 through July 2023?

7 A15. No.

8 III. RESERVE MARGIN AND STRANDED COSTS

9 Q16. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Q17. Is the Company taking actions to mitigate risk associated with stranded costs from GCR customers switching to transportation?

A17. To the extent that some customers might switch to Transportation Service in the period between now and 2024, such a switch would benefit GCR Customers as they would not have to bear the cost of additional upstream pipeline capacity at a price well in excess of the embedded cost of existing capacity. Recent estimates from upstream suppliers for proposed and actual projects have been more than the Company's current embedded demand cost of \$0.46/MCF. Given this capacity cost differential, even small increments of "stranded" capacity could actually prove to be beneficial to GCR Customers. In fact, GCR Customers have already derived at least some benefit from Sales Service Customers switching to Transportation on the Company's gas system over the last ten years. Schedule SWA-4 shows customer migration from Sales to Transportation Service over that period and illustrates that GCR Customers have avoided incurring demand charges that would have resulted from the purchase of additional upstream capacity, or peak day service, absent such migration.

Q18. Are there additional measures the Company has to protect GCR customers from stranded costs when eligible customers switch to transportation service?

A18. A provision of the 2019-20 GCR Settlement Agreement (Docket No. 19-0556) allowed for an annual update to the Transition Cost Adjustment Charge ("TCAC") that is calculated utilizing the Upstream Demand Charges from the current GCR period. The TCAC for the 2023-24 GCR period will be \$0.37/MCF, (Schedule SWA-5). Additionally, effective February 19, 2020, transportation customers returning to firm sales service have been required to enter a three-year firm sales service agreement.

1 **Q19. As part of the Settlement Agreement in PSC Docket No. 20-0549, did the Company**
2 **agree to conditions regarding natural gas supply and transmission capability to**
3 **permit a non-core or transportation service customer to return to sales service?**

4 A19. Yes. Pursuant to Paragraph 10 of the Settlement Agreement in PSC Docket 20-
5 0549, approved by Order No. 9787, and PSC Docket 22-0726, approved by Order No.
6 10221, the Company agreed that for purposes of determining whether there is sufficient
7 gas supply and transmission capability to permit a non-core or Transportation Service
8 Customer to return to Sales Service, a reduction in the Company's projected capacity
9 Reserve Margin to 2% and less would constitute a finding that there was inadequate
10 capacity available to permit non-core or Transportation Customers to return to Sales
11 Service. Further, this provision will remain in place until specifically changed by a
12 future Commission order or the Company demonstrates a projected capacity reserve
13 margin of greater than two (2) percent at which point the Company shall provide
14 written notification to the DPA, Staff, and the Commission that it will allow these
15 Customers to return.

16 **Q20. [REDACTED]**
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

1 **Q21. What impact does this have on non-core or transportation service customers to**
2 **return to sales service?**

3 A21. Since Delmarva Power exceeded the 2% provision as contained in the
4 Settlement Agreement, the Company now has the ability to allow customer switching
5 to sales service, at least to a limited extent. Recent trends indicate customers are
6 switching from Sales Service to Transportation and that has created a larger reserve
7 margin.

8 **Q22. As part of the Proposed Settlement Agreement in PSC Docket No. 22-0726 at**
9 **Paragraph 10, did Delmarva Power agree to modify how the Company recovers a**
10 **portion of the incremental trucked LNG costs incurred during this GCR Period**
11 **by using the same formula the Company used to recover trucking costs in the**
12 **2021-2022 GCR application (Docket No. 21-0672)?**

13 A22. Yes.

14 **Q23. Were trucked LNG costs incurred during this GCR Period?**

15 A23. No. Beyond the September 2022 trucking costs, as noted in Witness Coan's
16 testimony, there have been no additional trucking costs included in the actual results
17 from August 2022 through July 2023 or anticipated trucking costs in the forecasted
18 period August 2023 through October 2024. The Company will make a similar
19 adjustment if actual trucking costs do occur in the future.

1 **Q24. Please discuss any additional provisions of the Settlement Agreement in Docket**
2 **No. 22-0726.**

3 A24. The Company agreed to meet with Commission Staff and Public Advocate to
4 discuss the need for any improvements in the GCR process. To date, no decisions on
5 potential GCR process improvements have been finalized.

6 **IV. PROPOSED TARIFF CHANGES**

7 **Q25. Are you supporting any modifications to the Tariff?**

8 A25. No.

9 **V. CUSTOMER OUTREACH**

10 **Q26. Please discuss the Company's Consumer Education activities related to the**
11 **subject of this proceeding.**

12 A26. Prior to the beginning of the heating season and throughout the winter,
13 Delmarva Power undertakes educational activities to inform customers about changes
14 in gas supply rates and remind them of resources and tools available to help them meet
15 their energy needs, including ways to save money and energy. This includes sharing
16 information about My Account, which contains tools and detailed energy usage
17 information that helps customers manage their energy more efficiently, and the Budget
18 Billing payment option, which averages payments over a 12-month period to help
19 customers manage their monthly energy bill. Delmarva Power also provides customers
20 with important information about natural gas safety including how to detect a possible
21 leak and what to do if the customer suspects a leak. Customer education activities
22 include sharing information through bill inserts, bill messages, Delmarva Power's

1 website, customer newsletters, social media, news releases, The Source blog, and other
2 communication channels. Delmarva Power hosts a number of resources on its website
3 that provide customers with access to a variety of tools, tips, available energy assistance
4 programs, and other ways to save money and energy. In addition, Delmarva Power
5 representatives meet with various interest groups who serve the needs of customers
6 who may have difficulty paying their energy bill.

7 **Q27. Please discuss the status of the Company's Budget Billing Program.**

8 A27. As of July 31, 2023, the Company had 139,623 gas customers of which 17,242
9 or approximately 12%, were enrolled in the Budget Billing Program (the Program).
10 Budget billing information can be found on delmarva.com. This information educates
11 customers about the Program and enables customers to enroll on-line or provides
12 direction to contact Customer Care for assistance. Winter energy conservation
13 information will also be included in the customer newsletter along with information
14 about how to sign up for the Program. Customers will also be encouraged to learn more
15 about budget billing at community meetings throughout the fall and winter heating
16 season as a way to help manage their energy costs by spreading the costs of higher
17 winter usage over a 12-month period. Delmarva Power's call center representatives
18 are also trained to offer budget billing to customers who contact the call center with
19 concerns about the amount of seasonal bills.

20 The Company continues to support/sponsor such programs as the Good
21 Neighbor Energy Fund. The Company's Customer Service processes also continue to
22 offer customers flexible payment arrangements to help them better manage payment
23 requirements.

1

VI. CONCLUSION

2 Q28. Does this conclude your Direct Testimony?

3 A28. Yes, it does.

SCHEDULE SWA-1

Delmarva Power Light Company
2023 - 2024 GCR Period Gas Sales Budget

Schedule SWA-1
Page 1 of 1

| all in mcf | Firm Bundled Sales | | | | | | | Firm Transportation | | | | Firm Throughput | Interruptible Transportation | | | | | Total Transportation | Total Delivery Sales |
|--|--------------------|-----------|--------|-----------|---------|------|------------|--|-----------|-----------|-----------|-----------------|--|---------|----------|-----|---------------|----------------------|----------------------|
| | RES | RSH | GL | GG | MVG | LVG | Total | GVFT | MVFT | LVFT | Total | | MVIT | LVIT | Total IT | FPS | Total IT+ FPS | | |
| Aug-23 | 12,375 | 113,623 | 2 | 45,505 | 3,194 | - | 174,700 | 47,179 | 90,896 | 217,728 | 355,802 | 530,502 | 12,146 | 46,911 | 59,056 | - | 59,056 | 414,859 | 589,558 |
| Sep-23 | 14,621 | 178,448 | 3 | 92,000 | 5,878 | - | 290,949 | 47,390 | 91,303 | 218,702 | 357,395 | 648,344 | 12,200 | 47,121 | 59,321 | - | 59,321 | 416,716 | 707,665 |
| Oct-23 | 23,909 | 387,209 | 4 | 257,137 | 16,053 | - | 684,311 | 55,025 | 106,013 | 253,939 | 414,978 | 1,099,289 | 14,166 | 54,713 | 68,878 | - | 68,878 | 483,856 | 1,168,168 |
| Total | 50,905 | 679,280 | 9 | 394,642 | 25,125 | - | 1,149,960 | 149,594 | 288,211 | 690,370 | 1,128,175 | 2,278,135 | 38,511 | 148,745 | 187,256 | - | 187,256 | 1,315,431 | 2,465,391 |
| Nov-23 | 44,730 | 801,208 | 8 | 422,976 | 26,505 | - | 1,295,426 | 70,173 | 135,196 | 323,843 | 529,211 | 1,824,637 | 18,065 | 69,774 | 87,839 | - | 87,839 | 617,050 | 1,912,476 |
| Dec-23 | 74,463 | 1,511,559 | 13 | 747,967 | 45,694 | - | 2,379,696 | 84,173 | 162,170 | 388,456 | 634,800 | 3,014,496 | 21,669 | 83,695 | 105,365 | - | 105,365 | 740,165 | 3,119,861 |
| Jan-24 | 88,839 | 1,734,101 | 16 | 895,624 | 54,565 | - | 2,773,144 | 90,212 | 173,805 | 416,326 | 680,343 | 3,453,488 | 23,224 | 89,700 | 112,924 | - | 112,924 | 793,267 | 3,566,412 |
| Feb-24 | 69,622 | 1,426,271 | 12 | 845,935 | 51,449 | - | 2,393,290 | 81,490 | 157,001 | 376,075 | 614,566 | 3,007,857 | 20,979 | 81,028 | 102,006 | - | 102,006 | 716,572 | 3,109,863 |
| Mar-24 | 60,236 | 1,211,578 | 11 | 506,571 | 31,213 | - | 1,809,609 | 78,035 | 150,344 | 360,128 | 588,507 | 2,398,116 | 20,089 | 77,592 | 97,681 | - | 97,681 | 686,188 | 2,495,797 |
| Apr-24 | 35,466 | 575,656 | 6 | 329,381 | 20,034 | - | 960,544 | 63,431 | 122,207 | 292,730 | 478,368 | 1,438,912 | 16,329 | 63,071 | 79,400 | - | 79,400 | 557,768 | 1,518,312 |
| May-24 | 19,763 | 273,008 | 3 | 147,865 | 9,059 | - | 449,697 | 52,369 | 100,895 | 241,679 | 394,942 | 844,640 | 13,482 | 52,071 | 65,553 | - | 65,553 | 460,495 | 910,193 |
| Jun-24 | 13,741 | 124,923 | 2 | 69,177 | 4,477 | - | 212,321 | 46,654 | 89,884 | 215,306 | 351,844 | 564,165 | 12,010 | 46,389 | 58,399 | - | 58,399 | 410,244 | 622,564 |
| Jul-24 | 12,485 | 111,587 | 2 | 35,047 | 2,704 | - | 161,825 | 45,643 | 87,937 | 210,641 | 344,221 | 506,046 | 11,750 | 45,384 | 57,134 | - | 57,134 | 401,355 | 563,180 |
| Aug-24 | 12,525 | 115,122 | 2 | 48,162 | 3,356 | - | 179,168 | 47,179 | 90,896 | 217,728 | 355,802 | 534,970 | 12,146 | 46,911 | 59,056 | - | 59,056 | 414,859 | 594,026 |
| Sep-24 | 14,802 | 180,804 | 3 | 94,885 | 6,052 | - | 296,545 | 47,390 | 91,303 | 218,702 | 357,395 | 653,940 | 12,200 | 47,121 | 59,321 | - | 59,321 | 416,716 | 713,261 |
| Oct-24 | 24,217 | 392,319 | 4 | 261,200 | 16,301 | - | 694,042 | 55,025 | 106,013 | 253,939 | 414,978 | 1,109,020 | 14,166 | 54,713 | 68,878 | - | 68,878 | 483,856 | 1,177,898 |
| Total | 470,888 | 8,458,136 | 83 | 4,404,791 | 271,409 | - | 13,605,306 | 761,775 | 1,467,651 | 3,515,553 | 5,744,978 | 19,350,284 | 196,109 | 757,448 | 953,557 | - | 953,557 | 6,698,535 | 20,303,841 |
| Comparison to August 2022 GCR & ESR forecast for 23-24 GCR period: | | | | | | | | Comparison to August 2022 GCR & ESR forecast for 23-24 GCR period: | | | | | Comparison to August 2022 GCR & ESR forecast for 23-24 GCR period: | | | | | | |
| Total | 459,485 | 8,554,176 | 94 | 4,429,768 | 273,778 | - | 14,167,830 | 794,499 | 1,451,574 | 3,649,689 | 5,895,761 | 20,063,589 | 297,057 | 630,917 | 927,974 | - | 927,974 | 6,823,734 | 20,991,563 |
| Change | 11,403 | (96,040) | (11) | (24,977) | (2,369) | - | (562,524) | (32,724) | 16,077 | (134,136) | (150,783) | (713,305) | (100,948) | 126,531 | 25,583 | - | 25,583 | (125,199) | (687,722) |
| %Change | 2.4% | -1.1% | -13.4% | -0.6% | -0.9% | 0.0% | -4.1% | -4.3% | 1.1% | -3.8% | -2.6% | -3.7% | -51.5% | 16.7% | 2.7% | | 2.7% | -1.9% | -3.4% |

SCHEDULE SWA-2

DELMARVA POWER LIGHT
Lost and Unaccounted for Gas Calculation
Firm Bundled and Transportation Customer

| | Column A | Column B | Column C | Column D | | | | | | | | | |
|----------------------|---------------------------|----------------|---------------------------------|-------------------------|----------------------|------------|-----------|----------------|---------|------------|-----------|--------|--|
| | | | = Column B X Applicable Rate | = Column A - B - C | | | | | | | | | |
| Month | Total At Gate Stations | Electric (Net) | Electric L&A | Available System Gas | Firm Billed Sales | FT | IT & FPS | LVG QFCP RC | Co. Use | Total | LAUF | LAUF % | |
| Jul-20 | 4,806,365 | 3,973,038 | 3,973 | 829,354 | 270,287 | 337,051 | 90,561 | 123,004 | 375 | 821,278 | 8,076 | 1.0% | |
| Aug-20 | 4,650,194 | 3,814,905 | 3,815 | 831,474 | 238,168 | 340,350 | 77,368 | 122,985 | 247 | 779,118 | 52,356 | 6.7% | |
| Sep-20 | 2,307,741 | 1,479,530 | 1,480 | 826,731 | 236,006 | 330,211 | 62,773 | 119,045 | 226 | 748,261 | 78,470 | 10.5% | |
| Oct-20 | 2,352,617 | 1,215,020 | 1,215 | 1,136,382 | 379,497 | 399,282 | 64,086 | 123,142 | 661 | 966,668 | 169,714 | 17.6% | |
| Nov-20 | 2,366,068 | 557,012 | 557 | 1,808,499 | 719,950 | 479,273 | 88,500 | 118,585 | 698 | 1,407,006 | 401,493 | 28.5% | |
| Dec-20 | 3,417,567 | 232,190 | 232 | 3,185,145 | 1,532,348 | 674,603 | 106,269 | 122,826 | 1,160 | 2,437,206 | 747,939 | 30.7% | |
| Jan-21 | 3,572,899 | 51,493 | 51 | 3,521,355 | 2,366,649 | 717,039 | 100,195 | 119,974 | 1,128 | 3,304,985 | 216,370 | 6.5% | |
| Feb-21 | 3,404,050 | 103,376 | 103 | 3,300,571 | 2,307,520 | 664,010 | 85,797 | 111,170 | 1,058 | 3,169,555 | 131,016 | 4.1% | |
| Mar-21 | 2,477,216 | 118,887 | 119 | 2,358,210 | 2,176,648 | 572,618 | 84,614 | 122,834 | 1,416 | 2,958,130 | (599,920) | -20.3% | |
| Apr-21 | 1,896,012 | 379,080 | 379 | 1,516,553 | 1,099,651 | 455,203 | 85,237 | 119,076 | 1,106 | 1,760,273 | (243,720) | -13.8% | |
| May-21 | 1,829,328 | 741,421 | 741 | 1,087,166 | 590,329 | 400,489 | 92,419 | 122,952 | 647 | 1,206,836 | (119,670) | -9.9% | |
| Jun-21 | 3,419,396 | 2,554,039 | 2,554 | 862,803 | 376,506 | 344,220 | 92,361 | 118,980 | 520 | 932,587 | (69,784) | -7.5% | |
| Jul-21 | 3,564,607 | 2,728,774 | 2,729 | 833,104 | 276,077 | 340,593 | 92,928 | 122,810 | 373 | 832,781 | 323 | 0.0% | |
| Aug-21 | 3,649,536 | 2,796,738 | 2,797 | 850,001 | 262,178 | 355,341 | 94,320 | 123,007 | 381 | 835,227 | 14,774 | 1.8% | |
| Sep-21 | 1,773,424 | 943,041 | 943 | 829,440 | 237,918 | 341,484 | 78,208 | 118,967 | 319 | 776,896 | 52,544 | 6.8% | |
| Oct-21 | 1,387,495 | 403,872 | 404 | 983,219 | 263,809 | 357,009 | 83,351 | 122,955 | 277 | 827,401 | 155,818 | 18.8% | |
| Nov-21 | 3,374,892 | 1,042,022 | 1,042 | 2,331,828 | 763,514 | 549,606 | 107,898 | 118,212 | 283 | 1,539,513 | 792,315 | 51.5% | |
| Dec-21 | 4,260,124 | 1,654,622 | 1,655 | 2,603,847 | 1,639,562 | 580,882 | 114,303 | 122,773 | 811 | 2,458,331 | 145,516 | 5.9% | |
| Jan-22 | 4,714,037 | 690,744 | 691 | 4,022,602 | 2,349,621 | 736,082 | 93,920 | 122,953 | 1,005 | 3,303,581 | 719,021 | 21.8% | |
| Feb-22 | 3,556,421 | 590,409 | 590 | 2,965,422 | 2,406,975 | 603,825 | 102,086 | 110,989 | 990 | 3,224,865 | (259,443) | -8.0% | |
| Mar-22 | 2,949,660 | 541,827 | 542 | 2,407,291 | 1,949,061 | 577,447 | 81,506 | 122,745 | 1,261 | 2,732,020 | (324,729) | -11.9% | |
| Apr-22 | 2,679,053 | 995,452 | 995 | 1,682,606 | 1,249,337 | 481,184 | 89,179 | 118,927 | 1,669 | 1,940,296 | (257,690) | -13.3% | |
| May-22 | 2,373,457 | 1,312,053 | 1,312 | 1,060,092 | 724,530 | 375,583 | 78,199 | 122,938 | 1,351 | 1,302,601 | (242,509) | -18.6% | |
| Jun-22 | 2,372,871 | 1,526,883 | 1,527 | 844,461 | 358,148 | 349,809 | 69,560 | 118,691 | 1,150 | 897,358 | (52,897) | -5.9% | |
| Jul-22 | 5,282,280 | 4,451,082 | 4,451 | 826,747 | 258,725 | 347,178 | 68,927 | 121,597 | (474) | 795,953 | 30,794 | 3.9% | |
| Aug-22 | 5,130,835 | 4,314,786 | 4,315 | 811,734 | 251,474 | 363,638 | 74,107 | 122,897 | 368 | 812,484 | (750) | -0.1% | |
| Sep-22 | 2,281,821 | 1,456,615 | 1,457 | 823,749 | 255,803 | 360,552 | 69,470 | 118,654 | 71 | 804,550 | 19,199 | 2.4% | |
| Oct-22 | 3,459,208 | 2,143,033 | 2,143 | 1,314,032 | 458,936 | 405,554 | 58,200 | 121,733 | 138 | 1,044,561 | 269,471 | 25.8% | |
| Nov-22 | 3,500,927 | 1,425,875 | 1,426 | 2,073,626 | 780,924 | 516,518 | 73,689 | 116,977 | 219 | 1,488,327 | 585,299 | 39.3% | |
| Dec-22 | 3,804,501 | 560,278 | 560 | 3,243,663 | 1,777,780 | 647,231 | 60,809 | 118,640 | 834 | 2,605,294 | 638,369 | 24.5% | |
| Jan-23 | 4,238,606 | 1,389,674 | 1,390 | 2,847,542 | 2,202,287 | 598,339 | 62,814 | 114,710 | 1,074 | 2,979,224 | (131,682) | -4.4% | |
| Feb-23 | 3,129,176 | 589,824 | 590 | 2,538,762 | 1,971,762 | 553,057 | 63,700 | 104,396 | 959 | 2,693,874 | (155,112) | -5.8% | |
| Mar-23 | 3,553,459 | 1,105,145 | 1,105 | 2,447,209 | 1,726,810 | 549,840 | 72,046 | 119,203 | 1,109 | 2,469,008 | (21,799) | -0.9% | |
| Apr-23 | 2,887,195 | 1,621,413 | 1,621 | 1,264,161 | 1,090,685 | 409,203 | 60,571 | 112,918 | 1,519 | 1,674,896 | (410,735) | -24.5% | |
| May-23 | 1,758,471 | 723,698 | 724 | 1,034,049 | 575,000 | 389,066 | 68,717 | 112,671 | 5,844 | 1,151,298 | (117,249) | -10.2% | |
| Jun-23 | 2,370,509 | 1,573,793 | 1,574 | 795,142 | 342,307 | 334,704 | 57,034 | 108,189 | 577 | 842,811 | (47,669) | -5.7% | |
| 24 mos ended 6/30/23 | 78,052,565 | 36,581,653 | 36,582 | 41,434,330 | 24,173,223 | 11,123,725 | 1,875,542 | 2,838,552 | 22,108 | 40,033,150 | 1,401,180 | 3.5% | |

SCHEDULE SWA-3

| | Rate Class | # of Customers | MDQ |
|------------------------|------------|----------------|---------------|
| SALES SERVICE | MVG | 14 | 3,343 |
| | LVG | <u>0</u> | 0 |
| | | 14 | 3,343 |
| TRANSPORTATION SERVICE | GVFT | 98 | 9,298 |
| | MVFT | 46 | 11,650 |
| | LVFT | <u>14</u> | <u>21,364</u> |
| | | 158 | 42,312 |

SCHEDULE SWA-4

History Customer Switching to Transportation Service (MCF)

Schedule SWA-4

Page 1 of 1

| Year | # Switched to LVFT | Capacity to GCR Customers (MDQ) | # to MVFT | Capacity to GCR Customers (MDQ) | # to GVFT | Capacity to GCR Customers (MDQ) | Total All Classes | Total Capacity to GCR Customers (MDQ) |
|--------------|--------------------|---------------------------------|-----------|---------------------------------|-----------|---------------------------------|-------------------|---------------------------------------|
| 2007 | 4 | 3,953 | 3 | 992 | 1 | 58 | 8 | 5,003 |
| 2008 | 0 | - | 7 | 1,307 | 11 | 1,191 | 18 | 2,498 |
| 2009 | 1 | 850 | 5 | 913 | 11 | 1,387 | 17 | 3,150 |
| 2010 | 1 | 1,120 | 6 | 937 | 15 | 1,183 | 22 | 3,240 |
| 2011 | 1 | 2,153 | 2 | 196 | 13 | 913 | 16 | 3,262 |
| 2012 | 1 | 523 | 2 | 337 | 21 | 1,554 | 24 | 2,414 |
| 2013 | 0 | - | 3 | 270 | 6 | 370 | 9 | 640 |
| 2014 | 0 | 0 | 1 | 140 | 1 | 225 | 2 | 365 |
| 2015 | 0 | 0 | 0 | 0 | 6 | 436 | 6 | 436 |
| 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2017 | 0 | 0 | 0 | 0 | 1 | 65 | 1 | 65 |
| 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2019 | 0 | 0 | 0 | 0 | 1 | 76 | 1 | 76 |
| 2020 | 0 | 0 | 1 | 237 | 0 | 0 | 1 | 237 |
| 2021 | 0 | 0 | 1 | 180 | 1 | 267 | 2 | 447 |
| 2022 | 0 | 0 | 2 | 731 | 0 | 0 | 2 | 731 |
| 2023 | 0 | 0 | 3 | 678 | 4 | 224 | 7 | 902 |
| Total | 8 | 8,599 | 36 | 6,918 | 92 | 7,949 | 136 | 23,466 |

SCHEDULE SWA-5

Transition Cost Adjustment Charge (TCAC) Calculation

| | | | |
|---------------------------------|-----------|-------------|--|
| Total demand cost | \$ | 26,649,346 | Upstream Demand minus storage/seasonal services |
| Peak Day Supply available (MCF) | | 195,561 | |
| Peak Day Supply available (DT) | | 202,406 | |
| Cost/MCF per yr | \$ | 136.27 | TCAC = Total Demand Cost divided by Peak Day (MCF) |
| Cost/MCF per day | \$ | 0.37 | TCAC = (Total Demand Cost divided by Peak Day (MCF))/365 |

DELMARVA POWER & LIGHT COMPANY
2023-2024 GAS COST RATE CASE
PUBLIC TESTIMONY OF
JAMES B. JACOBY

**BEFORE THE
DELAWARE PUBLIC SERVICE COMMISSION**

**DELMARVA POWER & LIGHT COMPANY
GAS COST RATE CASE
NOVEMBER 2023 THROUGH OCTOBER 2024
DOCKET NO. 23-_____**

**DIRECT TESTIMONY
OF
JAMES B. JACOBY**

August 30, 2023

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I. INTRODUCTION AND PURPOSE

Q1. Please state your name, occupation, and business address.

A1. My name is James B. Jacoby, Senior Manager Gas Supply and Transportation for Delmarva Power & Light Company (“Delmarva Power” or the “Company”). My office is located at 630 Martin Luther King Jr. Blvd, Wilmington, Delaware 19801.

Q2. What are your responsibilities in your role as Senior Manager Gas Supply and Transportation?

A2. As Senior Manager Gas Supply and Transportation, I am responsible for developing and managing a safe, adequate, and reliable gas supply portfolio for Delmarva Power Gas Cost Rate customers.

Q3. Please briefly summarize your educational and professional background.

A3. I hold a Bachelor of Science Degree in Mining Engineering from The Pennsylvania State University and I am a licensed Professional Engineer in the Commonwealth of Pennsylvania.

I have been employed by Pepco Holdings, LLC (“PHI”), the parent of Delmarva Power and its affiliates, since July of 1990, serving in operations, environmental, and risk functions. Prior to that I was employed for seven years as an engineer and consultant in the mining and environmental industries.

I was employed by Conectiv Energy as a Risk Analyst and Risk Manager through 2011. I was responsible for the valuation and reporting of all commodity positions including gas, oil, coal, power, and renewables. Following the sale of Conectiv Energy, I was employed as a Regulatory Analyst at PHI. My primary

1 responsibilities were the Delaware GCR filing, the QFCP program start up, and the
2 ACE NJ NGC. I entered my current role in 2013.

3 **Q4. Have you previously provided testimony to the Delaware Public Service**
4 **Commission?**

5 A4. Yes. I have provided testimony before the Delaware Public Service
6 Commission ("Commission") in the the 2011–2012, 2012-2013, 2013-2014, 2014-
7 2015, 2015-2016, 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-
8 2022, and 2022-2023 Annual Gas Cost Rate ("GCR") filings, in Docket Nos. 11-381F,
9 12- 419F, 13-349F, 14-295F, 15-1355, 16-0899, 17-1013, 18-1049, 19-0556, 20-0549,
10 21-0672, and 22-0726 respectively. In addition, I have provided testimony in the 2011
11 QFCP-RC proceedings, Docket No. 11-362; and the Satellite Liquefied Natural Gas
12 Facility filing, Docket No. 19-0110.

13 **Q5. What is the purpose of your testimony in this proceeding?**

14 A5. I am testifying on behalf of Delmarva Power supporting the Gas Cost Rate
15 ("GCR") proposed to be effective from November 1, 2023 through October 31, 2024.
16 My testimony presents the calculation of the total estimated gas supply costs for the
17 period in question. The estimate includes the following cost elements: 1) gas
18 commodity; 2) interstate pipeline transportation demand; 3) storage demand and
19 capacity; 4) storage withdrawal/injection; 5) variable transportation commodity; 6)
20 fuel; and 7) an estimate of capacity release and off-system sales revenue credits. My
21 direct testimony will also discuss Delmarva Power's Natural Gas Hedging Program.
22 My testimony was prepared by me or under my direct supervision and control. The

1 source documents for my testimony are Company records. I also rely on my education,
2 personal knowledge, and experience.

3 **II. TRANSPORTATION, STORAGE & COMMODITY COST FORECAST**

4 **Q6. Please outline Delmarva Power's firm interstate pipeline and storage capacity and**
5 **supplemental supply portfolio available for this upcoming GCR period.**

6 A6. Schedule JBJ-1, Portfolio of Firm Transportation and Storage Services,
7 summarizes the firm transportation and firm storage services presently under contract
8 that have primary delivery points to Delmarva Power's interstate pipeline
9 interconnections. Based upon these upstream contracts, short-term peaking services,
10 and the planned-for design day vaporization of 25,000 MCF from Delmarva Power's
11 Wilmington Liquified Natural Gas ("LNG") facility, Delmarva Power will begin the
12 GCR Period with 195,561 MCF of peak or design day supply deliverability available
13 to meet firm sales customer requirements (See Column 5 of Schedule JBJ-1).

14 For the current GCR year, the Company has entered into a one-year peaking
15 service with a shipper that holds primary, firm capacity in the path to Delmarva Power's
16 meter. Delmarva Power will have the right to call on a total of 120,773 MCF (a
17 maximum of 12,077MCF per day) for the 2023-2024 GCR period. This supplemental
18 peaking service will maintain the supply deliverability at 195,561 MCF per day for the
19 2023-2024 winter season at a demand cost of \$248,000. (See Note 2 of Schedule JBJ-
20 1 and Note 1 of Schedule JBJ-2).

1 **Q7. What are the major differences between this year’s projected transportation and**
2 **storage demand costs versus those contained in last year’s annual GCR filing?**

3 A7. The annual projected fixed costs related to Delmarva Power’s transportation
4 and storage services are summarized in Schedule JBJ-2. This schedule compares the
5 projected 2023-2024 cost (See Column 3 of Schedule JBJ-2) with the estimates
6 included in last year’s GCR application (See Column 4 of Schedule JBJ-2). Overall,
7 compared to the original and supplemental GCR filing, fixed costs are projected to
8 decrease by \$388,510, or 1% (See Column 5, Lines 26 and 27 of Schedule JBJ-2). The
9 largest component of the year over year variance is the estimated impact of the settled
10 rate for TETCO on JBJ-2 Line 4. The short term peaking deal which increased from
11 9,662 MCF/Day to 12,077 MCF/Day was the only change in transportation service for
12 the 2023-2024 GCR year. This increased service was procured at a lower annual
13 demand cost.

14 **Q8. Has Delmarva Power included any forecast of interstate pipeline bill credits or**
15 **refunds in this year’s GCR Application?**

16 A8. No.

17 **Q9. Please describe the development of the system’s gas requirements forecast.**

18 A9. Delmarva Power’s system gas requirements forecast, also referred to as Firm
19 Send Out, is based upon (a) a monthly forecast of firm billed sales; (b) Company use;
20 (c) a 3.5% factor for lost and unaccounted-for-gas; and (d) cycle billing effect as
21 provided by Company Witness Wilson-Archie. In this Application, Non-Firm Send
22 Out is assumed to be zero based upon Delmarva Power’s recent experience with no
23 sales under its Flexibly Priced City Gate Sales Service (“FPS”). Schedule JBJ-3, Page

1 1 of 6, presents the estimated firm sales, Company use, lost and unaccounted-for-gas,
2 and cycle billing estimates on Lines 2, 3 and 4.

3 **Q10. How are the projected demand, supply and price forecasts integrated?**

4 A10. For each month of the forecast period, sources and disposition of supply are
5 matched, taking into consideration customer demand, storage inventories, contractual
6 limitations, and economics. The gas procurement process considers the reliability of
7 supply, operational considerations, and contract obligations, and is then structured to
8 acquire safe, adequate, and reliable gas supplies. Schedule JBJ-3, Pages 1 through 6
9 summarizes Delmarva Power's projected gas demand, supply, and supply costs for the
10 forecast period, November 2023 through October 2024.

11 **Q11. What source did Delmarva Power select for development of its price forecast for**
12 **spot purchases?**

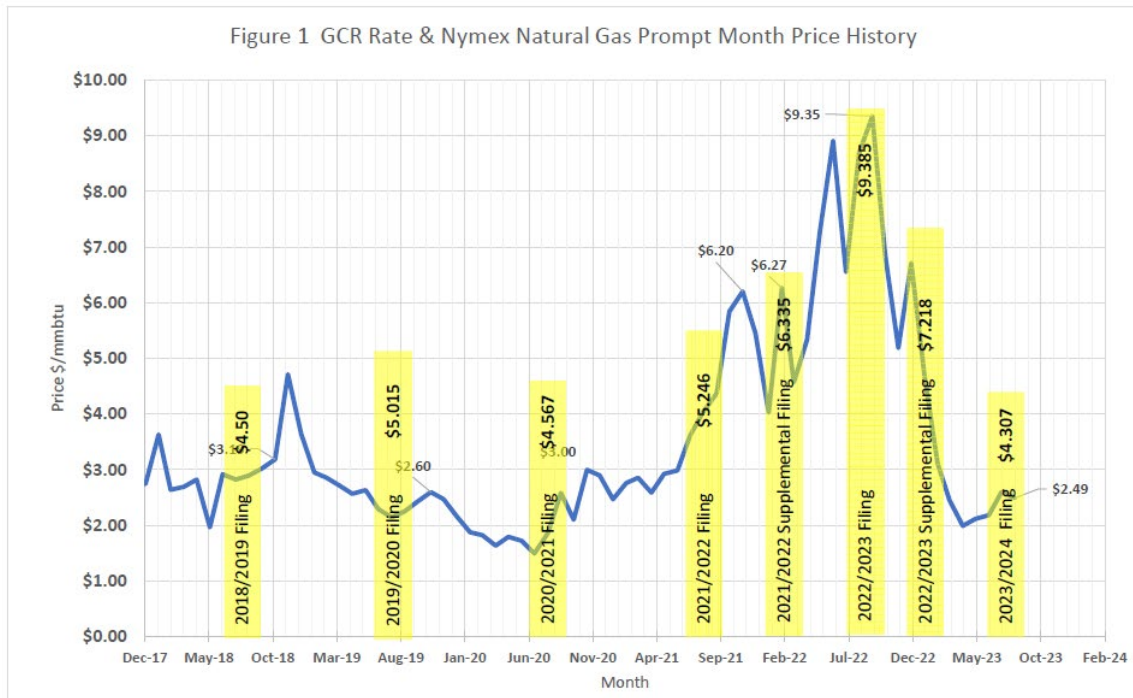
13 A11. Delmarva Power used the NYMEX natural gas futures closing prices on August
14 4, 2023, as its spot (wholesale) natural gas price (See Table 1 below). Delmarva Power
15 believes that the NYMEX natural gas futures closing prices on August 4, 2023, were
16 reasonable for use as the wholesale natural gas price forecast and that using a different
17 methodology was not likely to provide a more accurate GCR forecast. The use of this
18 reliable methodology is consistent with the findings in Commission Order No. 6956,
19 Docket No. 05-312F, dated July 11, 2006, and has been used by the Company since the
20 issuance of that Order.

Table 1. NYMEX Futures Closing Prices (In Mcf)

| Item | Month | NYMEX Gas Futures 08/04/23 |
|------|----------------|-------------------------------|
| 1 | November 2023 | \$3.183 |
| 2 | December 2023 | \$3.637 |
| 3 | January 2024 | \$3.868 |
| 4 | February 2024 | \$3.794 |
| 5 | March 2024 | \$3.506 |
| 6 | April 2024 | \$3.200 |
| 7 | May 2024 | \$3.189 |
| 8 | June 2024 | \$3.282 |
| 9 | July 2024 | \$3.389 |
| 10 | August 2024 | \$3.437 |
| 11 | September 2024 | \$3.418 |
| 12 | October 2024 | \$3.501 |

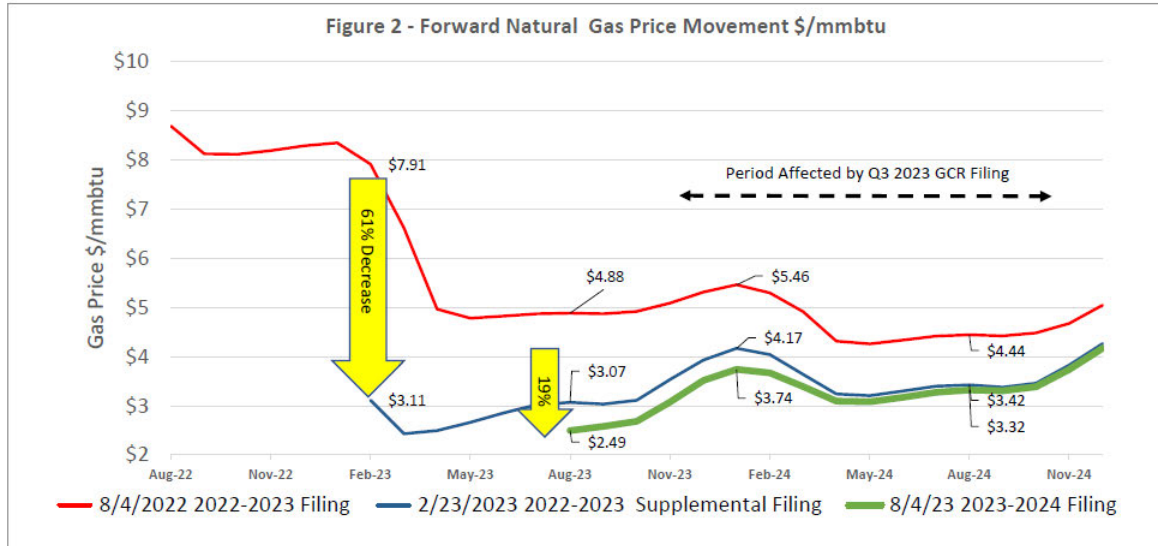
1 **Q12. How does the August 4, 2023 NYMEX pricing compare to recent filings?**

2 A12. The NYMEX Futures pricing decreased significantly in late 2022 and in the
3 first two quarters of 2023. Figure 1 is a graph of the GCR Rate and NYMEX Natural
4 Gas Prompt Month Price History. The graph shows the NYMEX prompt month price
5 decreased from over \$9/MMBtu in mid 2022 to less than \$4 per MMBtu at the time of
6 the 2023-2024 GCR period. The graph also shows the GCR rates of recent filings.
7 Both NYMEX and GCR rates are significantly lower than the 2022-2023 GCR original
8 filing and Supplemental Filing.



1 Q13. What decreases were seen in the NYMEX forward curve pricing from the 2022-
2 2023 Supplemental GCR filing to this 2023-2024 Annual GCR filing?

3 A13. During the spring and early summer of 2023 NYMEX prompt month pricing
4 decreased approximately 19% from the February 2023 Supplemental Filing to August
5 2023. Figure 2 below shows the forward price curves for the original 2022-2023
6 Annual GCR, the 2022-2023 Supplemental GCR filing and this 2023-2024 Annual
7 GCR filing.



Q14. What are the major components of Delmarva Power’s projected natural gas commodity costs for the November 2023 to October 2024 period contained in Delmarva Power’s annual GCR application?

A14. Delmarva Power’s projected natural gas commodity costs for the 2023-2024 GCR Application Period total \$46,065,160 and are based on the four components summarized in Table 2 below: Item 1, natural gas expected to be withdrawn from storage; Item 2, gas that is currently hedged for the 2023-2024 GCR Period; Item 3, “spot” gas, or gas purchased that is not hedged at the time the cost forecast is prepared; and Item 4, basis, fuel and variable costs. Table 3 below, containing a Summary of the 2022-2023 Supplemental Filing Projected Volumes & Commodity Costs, is provided for reference, as well as Table 4 below which summarizes the volume and cost differences between the 2022-2023 Supplemental GCR Filing and the 2023-2024 GCR. During this GCR Application Period, Delmarva Power plans to hedge a portion

1 of its gas purchases according to the Commission approved non-discretionary hedging
2 program.

Table 2. Summary of 2023-2024 Projected Volumes & Commodity Costs

| Item | Source of Supply | Percentage of Supply | Supply (MCF) | \$ / MCF | Commodity Cost |
|------|------------------------------|----------------------|--------------|----------|----------------|
| 1 | Storage Withdrawals | 22% | 3,105,533 | \$3.71 | \$11,527,386 |
| 2 | Hedged Purchases | 19% | 2,748,792 | \$3.80 | \$10,435,070 |
| 3 | Spot Purchases | 58% | 8,243,384 | \$3.58 | \$29,522,525 |
| 4 | Total Purchases | 100% | 14,097,709 | \$3.65 | \$51,484,981 |
| 5 | Basis, Fuel & Variable Costs | | | (\$0.38) | (\$5,419,821) |
| 6 | Total Commodity Costs | | | | \$46,065,160 |

Table 3. Summary of 2022-2023 Supplemental Filing Projected Volumes & Commodity Costs

| Item | Source of Supply | Percentage of Supply | Supply (MCF) | \$ / MCF | Commodity Cost |
|------|------------------------------|----------------------|--------------|----------|----------------|
| 1 | Storage Withdrawals | 22% | 3,105,533 | \$4.74 | \$14,714,943 |
| 2 | Hedged Purchases | 19% | 2,678,744 | \$6.27 | \$16,797,250 |
| 3 | Spot Purchases | 59% | 8,416,481 | \$4.01 | \$33,764,864 |
| 4 | Total Purchases | 100% | 14,200,758 | \$4.60 | \$65,277,056 |
| 5 | Basis, Fuel & Variable Costs | | | (\$0.56) | (\$7,955,794) |
| 6 | Total Commodity Costs | | | | \$57,321,262 |

Table 4. Change in Volume & Commodity Costs - 2023/24 GCR vs 2022/23 GCR Supplemental

| Item | Source of Supply | Percentage of Supply | Supply (MCF) | \$ / MCF | Commodity Cost |
|------|------------------------------|----------------------|--------------|----------|----------------|
| 1 | Storage Withdrawals | 0% | - | (\$1.03) | (\$3,187,557) |
| 2 | Hedged Purchases | 1% | 70,048 | (\$2.47) | (\$6,362,180) |
| 3 | Spot Purchases | -1% | (173,097) | (\$0.43) | (\$4,242,339) |
| 4 | Total Purchases | | (103,049) | (\$0.94) | (\$13,792,076) |
| 5 | Basis, Fuel & Variable Costs | | | \$0.18 | \$2,535,973 |
| 6 | Total Commodity Costs | | | | (\$11,256,103) |

3 **Q15. How does the Summary of Projected 2023-2024 Commodity Costs shown in Table**
4 **2 above compare to the 2022-2023 Supplemental forecast shown in Table 3?**

5 A15. Total Supply Purchase Volumes decreased by 103,049 MCF (See Line 4 of
6 Table 4). Compared to the 2022-2023 Supplemental filing, Total Purchases (See Line
7 4 of Table 4 above) the 2023-2024 Total Purchase Cost is decreased by \$13,792,076 .
8 This decrease is the result of a slight decrease in volume and significantly decreased
9 NYMEX commodity unit cost. This decrease is partially offset by lower Basis, Fuel
10 & Variable discounts of \$2,535,973 (See Table 4, Line 5). The net overall decrease in
11 Total Commodity cost is \$11,256,103 (See Table 4, Line 6).

1 As noted above, basis discounts for the upcoming GCR period are estimated to
2 be to be weaker than last year. Basis, in the natural gas markets, is the difference in
3 delivered cost between gas at one delivery point and the NYMEX contract delivery
4 point of Henry Hub. The Company currently benefits from basis discounts which
5 reduce the cost of moving gas from the production areas to Delmarva Power’s service
6 territory.

7 Storage Withdrawal costs (See Line 1 of Table 4) are expected to be \$3,187,557
8 lower than the storage withdrawal costs forecast in the 2022-2023 Supplemental GCR
9 Filing, which is due to lower NYMEX unit costs.

10 The cost of Hedged Purchases (See Line 2 of Table 4) in this year’s forecast is
11 \$6,362,180 lower than the 2022-2023 Supplemental GCR Filing as a result of lower
12 NYMEX unit costs. Schedule JBJ-4 shows the percentage hedged for this GCR
13 Application Period, specifically the hedge costs and the market value of the hedges
14 based on August 4, 2023 NYMEX natural gas pricing. This schedule, along with other
15 confidential schedules, is reviewed with the Commission Staff and the Division of the
16 Public Advocate (“DPA”) on a quarterly basis. Please note that the hedge volumes on
17 Schedule JBJ-4 are stated per MMBtu. Line 15 has been added to Schedule JBJ-4 so
18 that the hedge volumes and cost per unit can be reconciled to the Hedge Purchases in
19 MCF shown on Table 2.

20 The decrease in Spot Purchase volume (See Line 3 of Table 4 above) of natural
21 gas totaling 173,097 MCF is expected to occur at an average price of \$3.58 per MCF,
22 which is lower than the \$4.01 per MCF forecast in the 2022-2023 Supplemental GCR
23 filing.

1 **Q16. Please explain how the estimated cost for storage withdrawals is determined.**

2 A16. Projected storage withdrawal costs are estimated by taking the actual inventory
3 cost as of the end of July 2023 and projecting the volume and total cost of gas expected
4 to be injected between August 1, 2023 and October 31, 2024. The total cost of injected
5 gas into Delmarva Power's storage facilities includes all transportation, commodity,
6 and storage charges, in addition to the underlying market cost of the natural gas at the
7 time of injection.

8 **III. NATURAL GAS HEDGING**

9 **Q17. Please outline the guidelines of Delmarva Power's Natural Gas Hedging Program.**

10 A17. Commission Order No. 7658, in Docket No. 08-266F, dated October 6, 2009,
11 requires Delmarva to hedge, on a non-discretionary basis, fifty percent (50%) of the
12 projected monthly gas requirements. The time horizon of the Hedging Program is 12
13 months. Therefore, hedges are to be entered on a pro-rata basis (1/12th each month)
14 over the 12 months preceding the month in which the physical gas is delivered to
15 customers. As noted during the quarterly hedge calls, Delmarva defines projected
16 monthly gas requirements as projected city gate requirements plus storage injections
17 minus storage withdrawals. Delmarva Power created a method to track the quantity of
18 hedges by month that it needs to execute to maintain compliance with the guidelines to
19 hedge 1/12 each month on a pro-rata basis beginning 12 months in advance. This
20 tracking mechanism is shared and discussed with Commission Staff and the DPA on a
21 quarterly basis.

1 **Q18. Have there been any changes to Delmarva Power’s Natural Gas Hedging Program**
2 **since the guidelines were established in Commission Order No. 7658, dated**
3 **October 6, 2009?**

4 A18. No.

5 **Q19. What are the objectives of Delmarva Power’s Natural Gas Hedging Program and**
6 **Natural Gas Planning and Procurement Strategy?**

7 A19. The overall objective of Delmarva Power’s Gas Supply Planning and
8 Procurement Strategy is to provide safe, adequate, and reliable natural gas supply and
9 service to core residential, commercial, and industrial customers at stable prices which
10 are reflective of market conditions over time. To ensure reliability, Delmarva Power
11 secures the majority of its pipeline and storage capacity by long-term contracts to serve
12 its core customers’ firm requirements.

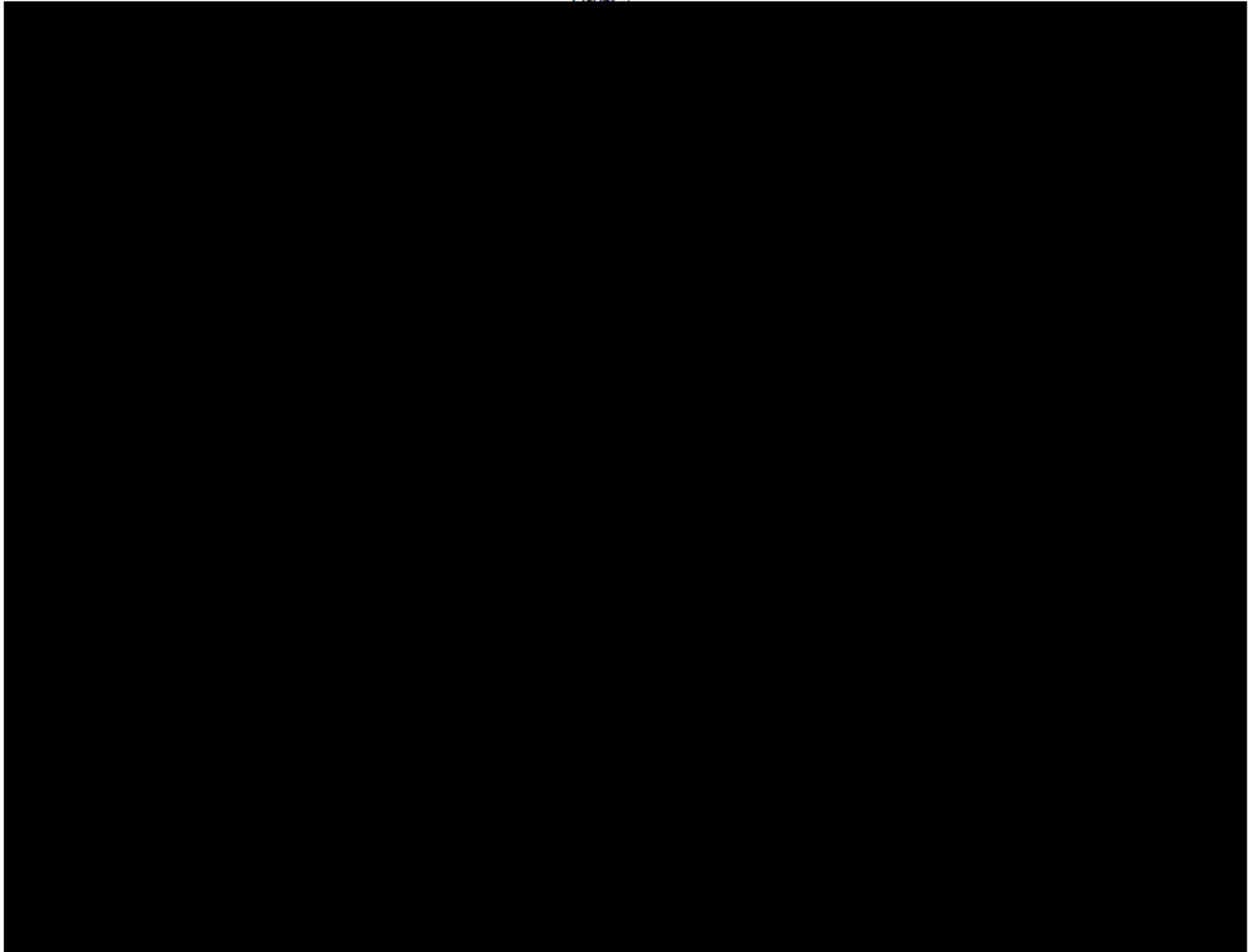
13 **IV. NATURAL GAS PORTFOLIO MANAGEMENT**

14 **Q20.** [REDACTED]
[REDACTED]

[REDACTED] A20. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

A21.

Figure 2



1

[REDACTED]

2 **Q22. Have there been any potential disruptions or unplanned interruptions to**
3 **Delmarva Power's supply since the previous GCR period?**

4 A22. Yes. Unplanned disruptions and interruptions occur during every GCR period,
5 and the 2022-2023 GCR period is no different. The following examples stand out.

6 During the Winter Storm Elliott event (December 23, 24 & 25, 2022), the
7 Company experienced a number of cuts to its scheduled gas volumes as a result of
8 operational issues on its supply pipelines. The Company's natural gas suppliers

1 experienced outages due to a cold weather event that affected an entire geographic
2 region and caused the freezing or failure of wells or pipelines. In addition, the TETCO
3 interstate pipeline experienced a compressor failure at its Lebanon location which
4 reduced deliverability on that pipeline. The Company relied upon its diverse portfolio
5 of supply contracts and the Wilmington LNG reserve to manage through these supply
6 disruptions and the significant temperature swings to maintain, a flexible and adequate
7 supply buffer through this period.

8 On July 25, 2023, Columbia Gas Transmission LLC notified customers of an
9 immediate pressure reduction on Line VB and declared a Force Majeure due to an
10 explosion on one its lines near Strasburg, Virginia. This event has not had a material
11 impact on the Company's deliveries, but has required operational adjustments to
12 manage deliveries around the outage. There is no firm date for restoration of service.

13 On July 28, 2023, Columbia Gulf Transmission LLC declared a Force Majeure
14 for an immediate pressure reduction on Mainline-200 downstream of Red Mountain
15 Compressor Station in Louisiana because of "anomalies discovered during an in-line
16 inspection of the pipeline." This event does not effect the Company's Firm deliveries
17 but has required operational adjustments to manage the outage.

18 **Q23. What impact does the projected Reserve Margin have on the Settlement**
19 **provisions with respect to Transportation Customers returning to Sales Service?**

20 A23. Delmarva Power intends to permit Transportation Customers to return to Sales
21 Service based on the projected reserve margin exceeding 2% this GCR year and the
22 future reserve margin projected to remain above 2%. We will not permit a return to
23 Sales Service if the projected reserve margin is below the agreed upon 2%.

1 **Q24. What has Delmarva Power done to lower fixed pipeline and storage costs?**

2 A24. Delmarva Power employs several methods that help offset the fixed cost of
3 pipeline transportation and storage capacity, the most significant being off-system sales
4 and capacity release transactions. Delmarva Power enters these short-term transactions
5 to sell pipeline or storage capacity not needed to serve its firm sales customers.
6 Typically, the term of the off-system sales transactions is either monthly or daily. Most
7 capacity release arrangements are done for a seasonal term (e.g., Nov. – Mar. or Apr.
8 – Oct.) or for a term of one month. In entering these transactions, Delmarva Power
9 seeks to obtain at least market value for such pipeline transportation and storage
10 capacity.

11 For the forecasted GCR Application Period, as shown on line 185 of Schedule
12 JBJ-3, Delmarva Power estimates it will achieve \$3,963,273 in gross margins from off-
13 system sales and capacity release transactions. This level of gross margin is a 3%
14 increase from the prior year's GCR application and reflects the fact that Delmarva
15 Power's available basis discounts remain more attractive to potential buyers of
16 capacity or off-system sales than they were several years ago. Delmarva Power does
17 expect to continue to capitalize on the available basis discounts between supply sources
18 and the market area to earn off-system sales margins and expects to achieve value from
19 releasing pipeline capacity on a monthly and seasonal basis.

20 Delmarva Power continually evaluates its transportation and storage portfolios
21 to reduce costs while maintaining reliability, monitors and intervenes, as necessary, in
22 Interstate pipeline and storage rate cases to mitigate the financial impact of such rate

1 cases. Delmarva Power is currently monitoring ongoing FERC proceedings at two of
2 its interstate pipelines.

3 Delmarva Power is actively participating as an individual intervenor and as a
4 member of shipper groups in the Transco WSS Market Based Rate proceeding Docket
5 No. RP 21-1143, the Transco RP 20-614 and RP 20-618 Cashout / Imbalance /
6 Operational Flow Order proceedings and the TCO Docket No. RP20-1060 Low
7 Pressure System proceeding at FERC. Membership in these shipper groups has
8 minimized the Company's cost to participate in the process, while working to limit the
9 size of pipeline rate increases.

10 Q25. [REDACTED]

[REDACTED]

[REDACTED] A25. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

15 Q26. Has Delmarva Power entered into any new Asset Management Agreements for
16 any part of its portfolio?

17 A26. No.

18 Q27. Will Delmarva Power be considering additional third-party downstream pipeline
19 capacity during the upcoming 2023-2024 GCR Application Period?

20 A27. No.

Q28.

A28.

V. CONCLUSION

Q29. Does this conclude your direct testimony at this time?

A29. Yes, it does.

SCHEDULE JBJ-1

DELMARVA POWER & LIGHT COMPANY
PORTFOLIO OF FIRM TRANSPORTATION AND STORAGE SERVICES
WINTER 2023-24 GCR PERIOD

Schedule JBJ-1

| | (1) | (2) | (3) | (4) | (5) |
|---|-----------------|-------------|--------------|---------------------|----------------------|
| | Contract Number | Daily (Mcf) | Annual (Mcf) | Contract Expiration | Adjusted Daily (Mcf) |
| 1 Firm Transportation | | | | | |
| 2 Transco Sentinel FT | 9076492 | 24,155 | 8,816,425 | 5/20/2029 | 24,155 |
| 3 Transco FT ¹ | 1003684 | 54,800 | 20,002,000 | Evergreen | 54,800 |
| 4 Transco FT ¹ | 1011993 | 4,831 | 1,763,285 | Evergreen | 4,831 |
| 5 Columbia FTS | 49832 | 6,685 | 2,440,034 | 3/31/2025 | 6,685 |
| 6 Columbia FTS | 80724 | 19,324 | 7,053,140 | 3/31/2025 | 19,324 |
| 7 TETCO FT-1 | 800475 | 9,662 | 3,526,570 | 10/31/2028 | 9,662 |
| 8 | | 119,456 | 43,601,454 | | 119,456 |
| 9 | | | | | |
| 10 Firm Storage | | | | | |
| 11 Transco GSS | 1000854 | 28,420 | 2,056,961 | 3/31/2028 | 28,420 |
| 12 Columbia FSS | 80723 | 9,768 | 504,202 | 3/31/2025 | 9,768 |
| 13 Transco LNG | 9010117 | 840 | 6,970 | Evergreen | 840 |
| 14 | | 39,028 | 2,568,133 | | 39,028 |
| 15 | | | | | |
| 16 Subtotal Firm Capacity Available | | 158,484 | 46,169,587 | | 158,484 |
| 17 | | | | | |
| 18 Supplemental Supply | | | | | |
| 19 Delmarva LNG | | 25,000 | 250,000 | | 25,000 |
| 20 Peaking Deal ² | | 12,077 | 120,773 | | 12,077 |
| 21 | | | | | |
| 22 Total Firm Peak Day Planned Capacity | | 195,561 | 46,540,360 | | 195,561 |

Notes:

¹ Contract has no date of termination and is an evergreen contract at DPL's Option

² Peaking Deal Terms are total of 120,773 MCF (maximum 12,077 MCF per day for 10 days)

SCHEDULE JBJ-2

DELMARVA POWER & LIGHT COMPANY
FIRM TRANSPORTATION & STORAGE CONTRACT PORTFOLIO
SUMMARY OF PROJECTED FIXED GAS COSTS
2023-24 GCR PERIOD

Schedule JBJ-2

| | (1) | (2) | (3) | (4) | (5) |
|-------------------------------------|---|--------------------------|---------------------------------|---------------------------------|-----------------------|
| | PIPELINE CAPACITY & SUPPLY | DAILY CITYGATE MDQ | 2023-2024 PROJECTED COSTS | 2022-2023 PROJECTED COSTS | VARIANCE (3) - (4) |
| <u>FIRM TRANSPORTATION SERVICES</u> | | | | | |
| 1 | TRANSCO FT | 54,800 | \$10,986,402 | \$10,950,465 | \$35,937 |
| 2 | COLUMBIA FTS | 26,008 | \$3,290,040 | \$3,182,796 | \$107,244 |
| 3 | TRANSCO SENTINEL FT | 24,155 | \$5,043,209 | \$5,028,970 | \$14,239 |
| 4 | TETCO | 9,662 | \$2,088,866 | \$2,586,635 | (\$497,768) |
| 5 | TRANSCO LEIDY-LINE FT | 4,831 | \$234,515 | \$233,786 | \$729 |
| 6 | EASTERN SHORE FT365 | | \$4,387,200 | \$4,317,936 | \$69,264 |
| 7 | EASTERN SHORE T - 1 | | \$84,636 | \$84,636 | \$0 |
| 8 | EASTERN SHORE 2017 EXPANSION | | \$1,392,060 | \$1,369,428 | \$22,632 |
| 9 | TRANSCO SENTINEL METER UPGRADE | | \$316,499 | \$315,634 | \$865 |
| 10 | SUBTOTAL | 119,456 | \$27,823,427 | \$28,070,286 | (\$246,858) |
| 11 | | | | | |
| 12 | <u>STORAGE & SEASONAL SERVICES:</u> | | | | |
| 13 | TRANSCO GSS | 28,420 | \$1,962,620 | \$2,166,790 | (\$204,170) |
| 14 | COLUMBIA FSS | 9,768 | \$663,744 | \$606,900 | \$56,844 |
| 15 | COLUMBIA SST | | \$915,906 | \$885,696 | \$30,210 |
| 16 | TRANSCO ESS | | \$539,639 | \$538,165 | \$1,474 |
| 17 | TRANSCO WSS | | \$276,888 | \$276,131 | \$757 |
| 18 | SUBTOTAL | 38,188 | \$4,358,797 | \$4,473,682 | (\$114,885) |
| 19 | | | | | |
| 20 | <u>SUPPLEMENTAL PEAKING SERVICES:</u> | | | | |
| 21 | TRANSCO LNG | 840 | \$85,298 | \$85,065 | \$233 |
| 22 | DELMARVA LNG | 25,000 | \$0 | \$0 | \$0 |
| 23 | PEAKING DEAL ¹ | 12,077 | \$248,000 | \$275,000 | (\$27,000) |
| 24 | SUBTOTAL | 37,917 | \$333,298 | \$360,065 | (\$26,767) |
| 25 | ESTIMATED REFUND | | \$0 | \$0 | \$0 |
| 26 | TOTAL | 195,561 | \$32,515,522 | \$32,904,033 | (\$388,510) |
| 27 | Variance from Prior Year | | | | -1% |

Note:

¹ Peaking Deal Terms are total of 120,773 MCF (maximum of 12,077 MCF per day over 10 days)

SCHEDULE JBJ-3

Schedule JBJ-3
Page 1

Schedule JBJ-3
Page 1

| DESCRIPTION | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov 23-Oct 24 GCR TOTAL |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------------|
| 12 FIRM SUPPLY | | | | | | | | | | | | | |
| 13 Transco FT Base | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 Transco FT & PS-3 (WSS W/D) | 72,464 | 227,053 | 275,362 | 251,208 | 25,622 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 851,709 |
| 15 Transco FT & PS-3 (ESS W/D) | 0 | 14,493 | 57,971 | 48,309 | 10,173 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 130,946 |
| 16 Transco Spot / Base Load | 1,158,876 | 1,532,436 | 1,334,181 | 920,202 | 693,061 | 913,021 | 481,935 | 325,023 | 362,553 | 486,800 | 663,606 | 1,070,120 | 9,941,814 |
| 17 TOTAL TRANSCO FT SUPPLY(LESS WSS/ESS) | 1,158,876 | 1,532,436 | 1,334,181 | 920,202 | 693,061 | 913,021 | 481,935 | 325,023 | 362,553 | 486,800 | 663,606 | 1,070,120 | 9,941,814 |
| 18 | | | | | | | | | | | | | |
| 19 Columbia Base | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 Columbia Swing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21 Columbia Spot | 170,010 | 310,000 | 465,000 | 290,000 | 465,000 | 120,000 | 103,986 | 120,000 | 124,000 | 124,000 | 120,000 | 124,000 | 2,535,996 |
| 22 TOTAL COLUMBIA FTS-1 SUPPLY | 170,010 | 310,000 | 465,000 | 290,000 | 465,000 | 120,000 | 103,986 | 120,000 | 124,000 | 124,000 | 120,000 | 124,000 | 2,535,996 |
| 23 | | | | | | | | | | | | | |
| 24 TEXAS EASTERN ITP SUPPLY | 30,000 | 299,522 | 299,522 | 280,198 | 299,522 | 45,000 | 46,500 | 45,000 | 46,500 | 46,500 | 45,000 | 46,500 | 1,529,764 |
| 25 PEAKING DEAL | 0 | 14,493 | 48,309 | 48,309 | 9,662 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,773 |
| 26 TOTAL FIRM SUPPLY (MCF) | 1,358,886 | 2,156,451 | 2,147,012 | 1,538,709 | 1,467,245 | 1,078,021 | 632,421 | 490,023 | 533,053 | 657,300 | 828,606 | 1,240,620 | 14,128,347 |
| 27 | | | | | | | | | | | | | |
| 28 STORAGE | | | | | | | | | | | | | |
| 29 GSS GROSS INJECTION TO STORAGE(INCL FUEL) | 0 | 0 | 0 | 0 | 0 | (221,256) | (231,884) | (231,884) | (231,884) | (231,884) | (231,884) | (192,899) | (1,573,575) |
| 30 WSS GROSS INJECTION TO STORAGE(INCL FUEL) | 0 | 0 | 0 | 0 | 0 | (131,249) | (131,249) | (131,249) | (131,249) | (131,249) | (131,249) | (92,864) | (880,355) |
| 31 ESS GROSS INJECTION TO STORAGE(INCL FUEL) | 0 | 0 | 0 | 0 | 0 | (19,444) | (19,444) | (19,444) | (19,444) | (19,444) | (19,444) | (18,306) | (134,971) |
| 32 LNG GROSS INJECTION TO STORAGE(INCL FUEL) | 0 | 0 | 0 | 0 | 0 | (570) | (1,078) | (1,043) | (1,078) | (1,078) | (1,078) | (1,043) | (6,970) |
| 33 FSS: GROSS INJECTION TO STORAGE (INCL FUEL) | 0 | 0 | 0 | 0 | 0 | (54,106) | (59,903) | (59,903) | (59,903) | (59,903) | (59,903) | (32,091) | (385,712) |
| 34 IMBALANCES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 TOTAL INJ EXT STORAGES | 0 | 0 | 0 | 0 | 0 | (426,625) | (443,558) | (443,523) | (443,558) | (443,558) | (443,523) | (337,238) | (2,981,584) |
| 36 | | | | | | | | | | | | | |
| 37 LNG INJECTED TO STORAGE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (51,530) | (51,530) | (51,530) | (154,589) |
| 38 TOTAL STORAGE INJECTED | 0 | 0 | 0 | 0 | 0 | (426,625) | (443,558) | (443,523) | (443,558) | (495,088) | (495,053) | (388,768) | (3,136,173) |
| 39 | | | | | | | | | | | | | |
| 40 GSS WITHDRAWN; REC'D AT CITYGATE | 120,773 | 386,473 | 473,430 | 473,430 | 119,469 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,573,575 |
| 41 WSS WITHDRAWN; REC'D AT CITYGATE | 72,464 | 227,053 | 275,362 | 251,208 | 25,622 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 851,709 |
| 42 ESS WITHDRAWN; REC'D AT CITYGATE | 0 | 14,493 | 57,971 | 48,309 | 10,173 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 130,946 |
| 43 LNG WITHDRAWN; REC'D AT CITYGATE | 0 | 0 | 3,490 | 3,478 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,970 |
| 44 FSS WITHDRAWN; REC'D AT CITYGATE | 26,087 | 91,787 | 130,435 | 101,449 | 35,956 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 385,714 |
| 45 DELMARVA LNG WITHDRAWN (INCLUDING BOILOFF) | 5,000 | 17,077 | 53,309 | 29,155 | 17,077 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 156,618 |
| 46 TOTAL WITHDRAWN STORAGES | 224,324 | 736,884 | 993,997 | 907,029 | 208,299 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 3,105,533 |
| 47 | | | | | | | | | | | | | |
| 48 TOTAL NET STORAGE, MCF | 224,324 | 736,884 | 993,997 | 907,029 | 208,299 | (421,625) | (438,558) | (438,523) | (438,558) | (490,088) | (490,053) | (383,768) | (30,640) |
| 49 TOTAL SUPPLY AVAILABLE FOR SENDOUT | 1,583,210 | 2,893,335 | 3,141,009 | 2,445,738 | 1,675,544 | 656,396 | 193,863 | 51,500 | 94,495 | 167,212 | 338,553 | 856,852 | 14,097,709 |
| 50 PRIOR PERIOD ADJUSTMENTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 51 NET SUPPLY AVAILABLE FOR SENDOUT | 1,583,210 | 2,893,335 | 3,141,009 | 2,445,738 | 1,675,544 | 656,396 | 193,863 | 51,500 | 94,495 | 167,212 | 338,553 | 856,852 | 14,097,709 |

| DESCRIPTION | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov 23-Oct 24 GCR TOTAL |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------------------|
| 52 TRANSPORTATION COMMODITY CHARGES,\$ | | | | | | | | | | | | | |
| 53 Transco Base | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 54 Transco FT spot | \$3,513,357 | \$5,520,377 | \$5,041,298 | \$3,259,873 | \$2,075,978 | \$2,523,716 | \$1,134,646 | \$823,755 | \$986,636 | \$1,473,830 | \$2,140,439 | \$3,381,906 | \$31,875,811 |
| 55 SUBTOTAL TRANSCO FT: COMMODITY | \$3,513,357 | \$5,520,377 | \$5,041,298 | \$3,259,873 | \$2,075,978 | \$2,523,716 | \$1,134,646 | \$823,755 | \$986,636 | \$1,473,830 | \$2,140,439 | \$3,381,906 | \$31,875,811 |
| 56 | | | | | | | | | | | | | |
| 57 Columbia Base | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 58 Columbia Swing | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 59 Columbia Spot | \$448,370 | \$960,796 | \$1,550,327 | \$945,201 | \$1,379,041 | \$303,738 | \$262,000 | \$313,715 | \$337,614 | \$343,748 | \$330,260 | \$351,839 | \$7,526,649 |
| 60 SUBTOTAL COLUMBIA FTS: COMMODITY | \$448,370 | \$960,796 | \$1,550,327 | \$945,201 | \$1,379,041 | \$303,738 | \$262,000 | \$313,715 | \$337,614 | \$343,748 | \$330,260 | \$351,839 | \$7,526,649 |
| 61 | | | | | | | | | | | | | |
| 62 TEXAS EASTERN ITP SUPPLY | \$77,966 | \$914,508 | \$983,639 | \$899,588 | \$875,137 | \$106,310 | \$109,325 | \$109,990 | \$118,613 | \$120,875 | \$116,091 | \$123,859 | \$4,555,901 |
| 63 | | | | | | | | | | | | | |
| 64 FT-365: ESNG COMMODITY CHARGE | \$1,006 | \$3,915 | \$1,928 | \$1,915 | \$1,243 | \$236 | \$272 | \$0 | \$0 | \$0 | \$0 | \$50 | \$10,565 |
| 65 T-1: ESNG COMMODITY CHARGE | \$416 | \$561 | \$561 | \$506 | \$561 | \$350 | \$250 | \$108 | \$84 | \$82 | \$99 | \$291 | \$3,869 |
| 66 ESNG 2017 EXPANSION COMMODITY CHARGE | \$43 | \$16 | \$34 | \$27 | \$28 | \$14 | \$7 | \$5 | \$3 | \$2 | \$8 | \$22 | \$209 |
| 67 TRANSCO LEIDY LINE FT TRANSPORT | \$10,818 | \$11,179 | \$11,179 | \$10,457 | \$11,179 | \$10,818 | \$8,663 | \$5,409 | \$5,589 | \$5,589 | \$5,409 | \$11,179 | \$107,468 |
| 68 WSS: TRANSPORT CHARGE: | \$5,414 | \$16,963 | \$20,572 | \$18,767 | \$1,914 | \$3,181 | \$3,181 | \$3,181 | \$3,181 | \$3,181 | \$3,181 | \$2,251 | \$84,967 |
| 69 ESS: TRANSPORT CHARGE: | \$0 | \$1,080 | \$4,320 | \$3,600 | \$758 | \$471 | \$471 | \$471 | \$471 | \$471 | \$471 | \$444 | \$13,028 |
| 70 COLUMBIA SST TRANSPORT | \$356 | \$1,254 | \$1,782 | \$1,386 | \$491 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,270 |
| 71 HEDGE SETTLEMENT | \$286,663 | \$227,133 | \$105,513 | \$36,570 | \$10,863 | \$7,198 | \$2,320 | \$3,045 | \$1,525 | \$0 | \$0 | \$0 | \$680,828 |
| 72 TOTAL COMMODITY FIRM TRANSPORT \$ | \$4,344,408 | \$7,657,781 | \$7,721,153 | \$5,177,889 | \$4,357,193 | \$2,956,032 | \$1,521,135 | \$1,259,679 | \$1,453,717 | \$1,947,778 | \$2,595,957 | \$3,871,841 | \$44,864,564 |
| 73 | | | | | | | | | | | | | |
| 74 PEAKING DEAL | \$0 | \$82,420 | \$305,207 | \$282,334 | \$43,049 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$713,010 |
| 75 COLUMBIA ITS: DELIVERED COMMODITY | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 76 TEXAS EASTERN IT-1 COMMODITY | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 77 OTHER NON-FIRM PURCHASES | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 78 TOTAL COMMODITY NONFIRM TRANSPORT \$ | \$0 | \$82,420 | \$305,207 | \$282,334 | \$43,049 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$713,010 |
| 79 | | | | | | | | | | | | | |
| 80 TOTAL TRANSPORTATION COMMODITY \$ | \$4,344,408 | \$7,740,201 | \$8,026,360 | \$5,460,223 | \$4,400,242 | \$2,956,032 | \$1,521,135 | \$1,259,679 | \$1,453,717 | \$1,947,778 | \$2,595,957 | \$3,871,841 | \$45,577,574 |
| 81 | | | | | | | | | | | | | |
| 82 COMMODITY WACCOG, \$/MCF | \$3.20 | \$3.59 | \$3.74 | \$3.55 | \$3.00 | \$2.74 | \$2.41 | \$2.57 | \$2.73 | \$2.96 | \$3.13 | \$3.12 | \$3.23 |

| DESCRIPTION | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov 23-Oct 24 GCR TOTAL |
|---------------------------------------|-----------|-------------|-------------|-------------|-----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------------------|
| 83 STORAGE COMMODITY CHARGES, \$ | | | | | | | | | | | | | |
| 84 GSS: CREDIT COMMODITY INJECTED | \$0 | \$0 | \$0 | \$0 | \$0 | (\$522,662) | (\$545,128) | (\$566,728) | (\$591,448) | (\$602,728) | (\$598,168) | (\$513,774) | (\$3,940,636) |
| 85 WSS: CREDIT COMMODTY INJ (+ FUEL) | \$0 | \$0 | \$0 | \$0 | \$0 | (\$420,824) | (\$419,275) | (\$431,947) | (\$448,450) | (\$453,067) | (\$450,392) | (\$326,742) | (\$2,948,697) |
| 86 ESS: CREDIT COMMODTY INJ (+ FUEL) | \$0 | \$0 | \$0 | \$0 | \$0 | (\$67,718) | (\$67,490) | (\$69,356) | (\$71,493) | (\$72,468) | (\$72,074) | (\$69,435) | (\$490,034) |
| 87 LNG: CREDIT COMMODITY INJECTED | \$0 | \$0 | \$0 | \$0 | \$0 | (\$2,012) | (\$3,793) | (\$3,771) | (\$4,015) | (\$4,069) | (\$3,917) | (\$4,141) | (\$25,718) |
| 88 FSS: CREDIT INJ (+FUEL) | \$0 | \$0 | \$0 | \$0 | \$0 | (\$137,807) | (\$151,879) | (\$157,553) | (\$164,046) | (\$167,009) | (\$165,811) | (\$91,564) | (\$1,035,669) |
| 89 TOTAL CREDIT STORAGE GAS INJ-808.2 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$1,151,023) | (\$1,187,565) | (\$1,229,355) | (\$1,277,452) | (\$1,299,341) | (\$1,290,362) | (\$1,005,656) | (\$8,440,754) |
| 90 | | | | | | | | | | | | | |
| 91 LNG: CREDIT INJECTED-808.201 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 92 LNG: PRIOR PERIOD ADJUSTMENT | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93 TOTAL CREDIT LNG GAS INJ-808.201 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 94 | | | | | | | | | | | | | |
| 95 GSS: DEBIT COMMODITY WITHDRAWN | \$289,249 | \$925,597 | \$1,133,857 | \$1,133,857 | \$286,127 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,768,687 |
| 96 WSS: DEBIT COMMODITY (W/D +FUEL) | \$244,382 | \$765,730 | \$928,652 | \$847,191 | \$86,409 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,872,364 |
| 97 ESS: DEBIT COMMODITY (W/D +FUEL) | \$0 | \$53,452 | \$207,640 | \$173,033 | \$37,412 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$471,538 |
| 98 LNG: DEBIT COMMODITY WITHDRAWN | \$0 | \$0 | \$9,892 | \$9,859 | \$5 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$19,756 |
| 99 FSS: DEBIT COMMODITY WITHDRAWN | \$78,256 | \$275,346 | \$391,280 | \$304,327 | \$107,860 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,157,069 |
| 100 TOTAL DEBIT STORAGE GAS W/D-808.1 | \$611,887 | \$2,020,125 | \$2,671,321 | \$2,468,267 | \$517,813 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$8,289,414 |
| 101 | | | | | | | | | | | | | |
| 102 LNG: DEBIT WITHDRAWAL 808.101 | \$13,682 | \$46,729 | \$145,002 | \$74,593 | \$41,730 | \$11,980 | \$12,145 | \$12,145 | \$12,145 | \$12,145 | \$12,461 | \$12,582 | \$407,339 |
| 103 LNG: PRIOR PERIOD ADJUSTMENT | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 104 TOTAL DEBIT LNG GAS W/D-808.101 | \$13,682 | \$46,729 | \$145,002 | \$74,593 | \$41,730 | \$11,980 | \$12,145 | \$12,145 | \$12,145 | \$12,145 | \$12,461 | \$12,582 | \$407,339 |
| 105 | | | | | | | | | | | | | |
| 106 GSS: INJ & W/D CHARGES | \$7,419 | \$23,740 | \$29,082 | \$29,082 | \$7,339 | \$14,067 | \$14,743 | \$14,743 | \$14,743 | \$14,743 | \$14,743 | \$12,265 | \$196,709 |
| 107 WSS: INJ & W/D CHARGES | \$330 | \$1,034 | \$1,254 | \$1,144 | \$117 | \$598 | \$598 | \$598 | \$598 | \$598 | \$598 | \$423 | \$7,890 |
| 108 ESS: INJ & W/D CHARGES | \$0 | \$751 | \$3,003 | \$2,503 | \$527 | \$1,007 | \$1,007 | \$1,007 | \$1,007 | \$1,007 | \$1,007 | \$948 | \$13,774 |
| 109 LNG: INJ & W/D CHARGES | \$0 | \$0 | \$249 | \$248 | \$0 | \$41 | \$77 | \$74 | \$77 | \$77 | \$74 | \$77 | \$994 |
| 110 FSS: INJ & W/D CHARGES | \$413 | \$1,454 | \$2,066 | \$1,607 | \$569 | \$857 | \$949 | \$949 | \$949 | \$949 | \$949 | \$508 | \$12,219 |
| 111 SUBTOTAL INJ & W/D CHARGES | \$8,162 | \$26,979 | \$35,654 | \$34,584 | \$8,552 | \$16,570 | \$17,374 | \$17,371 | \$17,374 | \$17,374 | \$17,371 | \$14,221 | \$231,586 |
| 112 | | | | | | | | | | | | | |
| 113 TOTAL NET STORAGE \$ | \$633,731 | \$2,093,833 | \$2,851,977 | \$2,577,444 | \$568,095 | (\$1,122,473) | (\$1,158,046) | (\$1,199,839) | (\$1,247,933) | (\$1,269,822) | (\$1,260,530) | (\$978,853) | \$487,585 |

| DESCRIPTION | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov 23-Oct 24 GCR TOTAL |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------------------|
| 114 DEMAND CHARGES | | | | | | | | | | | | | |
| 115 TRANSCO CITYGATE SURCHARGE | \$25,943 | \$26,807 | \$26,807 | \$25,078 | \$26,807 | \$25,943 | \$26,807 | \$25,943 | \$26,807 | \$26,807 | \$25,943 | \$26,807 | \$316,499 |
| 116 TRANSCO SENTINEL FT | \$413,378 | \$427,157 | \$427,157 | \$399,598 | \$427,157 | \$413,378 | \$427,157 | \$413,378 | \$427,157 | \$427,157 | \$413,378 | \$427,157 | \$5,043,209 |
| 117 TRANSCO FT DEMAND STA 30 | \$162,266 | \$167,675 | \$167,675 | \$156,857 | \$167,675 | \$162,266 | \$167,675 | \$162,266 | \$167,675 | \$167,675 | \$162,266 | \$167,675 | \$1,979,646 |
| 118 TRANSCO FT DEMAND STA 45 | \$232,898 | \$240,661 | \$240,661 | \$225,135 | \$240,661 | \$232,898 | \$240,661 | \$232,898 | \$240,661 | \$240,661 | \$232,898 | \$240,661 | \$2,841,354 |
| 119 TRANSCO FT DEMAND STA 50 | \$165,545 | \$171,063 | \$171,063 | \$160,027 | \$171,063 | \$165,545 | \$171,063 | \$165,545 | \$171,063 | \$171,063 | \$165,545 | \$171,063 | \$2,019,648 |
| 120 TRANSCO FT DEMAND STA 62 | \$339,816 | \$351,143 | \$351,143 | \$328,489 | \$351,143 | \$339,816 | \$351,143 | \$339,816 | \$351,143 | \$351,143 | \$339,816 | \$351,143 | \$4,145,754 |
| 121 TRANSCO FT DEMAND WSS | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 122 TRANSCO PS-3 DEMAND STA 30 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 123 TRANSCO PS-3 DEMAND STA 45 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 124 TRANSCO PS-3 DEMAND STA 50 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 125 TRANSCO PS-3 DEMAND STA 62 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 126 TRANSP DEMAND CHARGE TRANSCO LEIDY LINE FT | \$19,223 | \$19,863 | \$19,863 | \$18,582 | \$19,863 | \$19,223 | \$19,863 | \$19,223 | \$19,863 | \$19,863 | \$19,223 | \$19,863 | \$234,515 |
| 127 COLUMBIA FTS: DEMAND CHARGE | \$274,170 | \$274,170 | \$274,170 | \$274,170 | \$274,170 | \$274,170 | \$274,170 | \$274,170 | \$274,170 | \$274,170 | \$274,170 | \$274,170 | \$3,290,040 |
| 128 COLUMBIA SST: DEMAND CHARGE (80722) | \$101,767 | \$101,767 | \$101,767 | \$101,767 | \$101,767 | \$50,884 | \$50,884 | \$50,884 | \$50,884 | \$50,884 | \$50,884 | \$101,767 | \$915,906 |
| 129 COL GULF FTS-1: DEMAND CHARGE | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 130 COL GULF FTS-2: DEMAND CHARGE | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 131 TEXAS EASTERN ITP DEMAND | \$174,072 | \$174,072 | \$174,072 | \$174,072 | \$174,072 | \$174,072 | \$174,072 | \$174,072 | \$174,072 | \$174,072 | \$174,072 | \$174,072 | \$2,088,866 |
| 132 FT-365: ESNG DEMAND CHARGE | \$365,600 | \$365,600 | \$365,600 | \$365,600 | \$365,600 | \$365,600 | \$365,600 | \$365,600 | \$365,600 | \$365,600 | \$365,600 | \$365,600 | \$4,387,200 |
| 133 T-1: ESNG DEMAND CHARGE | \$7,053 | \$7,053 | \$7,053 | \$7,053 | \$7,053 | \$7,053 | \$7,053 | \$7,053 | \$7,053 | \$7,053 | \$7,053 | \$7,053 | \$84,636 |
| 134 ESNG 2017 EXPANSION | \$116,005 | \$116,005 | \$116,005 | \$116,005 | \$116,005 | \$116,005 | \$116,005 | \$116,005 | \$116,005 | \$116,005 | \$116,005 | \$116,005 | \$1,392,060 |
| 135 PEAKING DEAL | \$0 | \$62,000 | \$62,000 | \$62,000 | \$62,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$248,000 |
| 136 REFUNDS | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 137 SUBTOTAL FIRM DEMAND CHARGES | \$2,397,736 | \$2,505,036 | \$2,505,036 | \$2,414,433 | \$2,505,036 | \$2,346,853 | \$2,392,153 | \$2,346,853 | \$2,392,153 | \$2,392,153 | \$2,346,853 | \$2,443,036 | \$28,987,333 |
| 138 | | | | | | | | | | | | | |
| 139 GSS: DEMAND CHARGE | \$106,582 | \$110,135 | \$110,135 | \$103,030 | \$110,135 | \$106,582 | \$110,135 | \$106,582 | \$110,135 | \$110,135 | \$106,582 | \$110,135 | \$1,300,303 |
| 140 CAPACITY CHARGE | \$54,288 | \$56,098 | \$56,098 | \$52,479 | \$56,098 | \$54,288 | \$56,098 | \$54,288 | \$56,098 | \$56,098 | \$54,288 | \$56,098 | \$662,317 |
| 141 WSS: DEMAND CHARGE | \$11,288 | \$11,664 | \$11,664 | \$10,912 | \$11,664 | \$11,288 | \$11,664 | \$11,288 | \$11,664 | \$11,664 | \$11,288 | \$11,664 | \$137,712 |
| 142 CAPACITY CHARGE | \$11,408 | \$11,788 | \$11,788 | \$11,028 | \$11,788 | \$11,408 | \$11,788 | \$11,408 | \$11,788 | \$11,788 | \$11,408 | \$11,788 | \$139,176 |
| 143 LNG: DEMAND CHARGE | \$2,689 | \$2,779 | \$2,779 | \$2,600 | \$2,779 | \$2,689 | \$2,779 | \$2,689 | \$2,779 | \$2,779 | \$2,689 | \$2,779 | \$32,809 |
| 144 CAPACITY CHARGE | \$4,302 | \$4,446 | \$4,446 | \$4,159 | \$4,446 | \$4,302 | \$4,446 | \$4,302 | \$4,446 | \$4,446 | \$4,302 | \$4,446 | \$52,489 |
| 145 ESS: DEMAND & INJECTION CHARGE | \$25,844 | \$26,705 | \$26,705 | \$24,982 | \$26,705 | \$25,844 | \$26,705 | \$25,844 | \$26,705 | \$26,705 | \$25,844 | \$26,705 | \$315,293 |
| 146 CAPACITY CHARGE | \$18,389 | \$19,002 | \$19,002 | \$17,776 | \$19,002 | \$18,389 | \$19,002 | \$18,389 | \$19,002 | \$19,002 | \$18,389 | \$19,002 | \$224,346 |
| 147 FSS: DEMAND CHARGE | \$28,541 | \$28,541 | \$28,541 | \$28,541 | \$28,541 | \$28,541 | \$28,541 | \$28,541 | \$28,541 | \$28,541 | \$28,541 | \$28,541 | \$342,492 |
| 148 CAPACITY CHARGE | \$26,771 | \$26,771 | \$26,771 | \$26,771 | \$26,771 | \$26,771 | \$26,771 | \$26,771 | \$26,771 | \$26,771 | \$26,771 | \$26,771 | \$321,252 |
| 149 SUBTOTAL STORAGE DEMAND CHARGES | \$290,102 | \$297,929 | \$297,929 | \$282,278 | \$297,929 | \$290,102 | \$297,929 | \$290,102 | \$297,929 | \$297,929 | \$290,102 | \$297,929 | \$3,528,189 |
| 150 | | | | | | | | | | | | | |
| 151 TOTAL DEMAND CHARGES \$ | \$2,687,838 | \$2,802,965 | \$2,802,965 | \$2,696,711 | \$2,802,965 | \$2,636,955 | \$2,690,082 | \$2,636,955 | \$2,690,082 | \$2,690,082 | \$2,636,955 | \$2,740,965 | \$32,515,522 |

| DESCRIPTION | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov 23-Oct 24 GCR TOTAL |
|---|-------------|--------------|--------------|--------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|----------------------------|
| OVERALL SUMMARY | | | | | | | | | | | | | |
| 152 FIRM DEMAND | 1,583,210 | 2,893,335 | 3,141,009 | 2,445,738 | 1,675,544 | 656,396 | 193,863 | 51,500 | 94,495 | 167,212 | 338,553 | 856,852 | 14,097,709 |
| 153 NONFIRM DEMAND | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 154 STORAGE INJECTION (NO WSS) | 0 | 0 | 0 | 0 | 0 | 295,376 | 312,310 | 312,275 | 312,310 | 363,839 | 363,805 | 295,904 | 2,255,818 |
| 155 WSS STORAGE INJ | 0 | 0 | 0 | 0 | 0 | 131,249 | 131,249 | 131,249 | 131,249 | 131,249 | 131,249 | 92,864 | 880,355 |
| 156 TOTAL DEMAND | 1,583,210 | 2,893,335 | 3,141,009 | 2,445,738 | 1,675,544 | 1,083,021 | 637,421 | 495,023 | 538,053 | 662,300 | 833,606 | 1,245,620 | 17,233,880 |
| 157 | | | | | | | | | | | | | |
| 158 FIRM SUPPLY | 1,358,886 | 2,156,451 | 2,147,012 | 1,538,709 | 1,467,245 | 1,078,021 | 632,421 | 490,023 | 533,053 | 657,300 | 828,606 | 1,240,620 | 14,128,347 |
| 159 OTHER FIRM SUPPLY | 0 | 14,493 | 48,309 | 48,309 | 9,662 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,773 |
| 160 WSS & ESS WITHDRAWAL | 72,464 | 241,546 | 333,333 | 299,517 | 35,795 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 982,655 |
| 161 STORAGE WITHDRAWAL (less WSS & ESS) | 151,860 | 495,338 | 660,664 | 607,512 | 172,504 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 2,122,878 |
| 162 TOTAL SUPPLY | 1,583,210 | 2,907,828 | 3,189,318 | 2,494,047 | 1,685,206 | 1,083,021 | 637,421 | 495,023 | 538,053 | 662,300 | 833,606 | 1,245,620 | 17,354,653 |
| 163 | | | | | | | | | | | | | |
| 164 NET SUPPLY VS DEMAND | 0 | 14,493 | 48,309 | 48,309 | 9,662 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 120,771 |
| 165 | | | | | | | | | | | | | |
| 166 COMMODITY EXPENSE, \$ | | | | | | | | | | | | | |
| 167 TOTAL COMMODITY FIRM TRANSPORT \$ | \$4,344,408 | \$7,657,781 | \$7,721,153 | \$5,177,889 | \$4,357,193 | \$2,956,032 | \$1,521,135 | \$1,259,679 | \$1,453,717 | \$1,947,778 | \$2,595,957 | \$3,871,841 | \$44,864,564 |
| 168 PEAKING DEAL | \$0 | \$82,420 | \$305,207 | \$282,334 | \$43,049 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$713,010 |
| 169 SUBTOTAL COMMODITY STORAGES \$ | \$633,731 | \$2,093,833 | \$2,851,977 | \$2,577,444 | \$568,095 | (\$1,122,473) | (\$1,158,046) | (\$1,199,839) | (\$1,247,933) | (\$1,269,822) | (\$1,260,530) | (\$978,853) | \$487,585 |
| 170 TOTAL COMMODITY \$ | \$4,978,139 | \$9,834,034 | \$10,878,337 | \$8,037,667 | \$4,968,337 | \$1,833,559 | \$363,089 | \$59,840 | \$205,784 | \$677,956 | \$1,335,427 | \$2,892,988 | \$46,065,160 |
| 171 | | | | | | | | | | | | | |
| 172 DEMAND EXPENSE, \$ | | | | | | | | | | | | | |
| 173 SUBTOTAL DEMAND FIRM TRANSPORT | \$2,397,736 | \$2,505,036 | \$2,505,036 | \$2,414,433 | \$2,505,036 | \$2,346,853 | \$2,392,153 | \$2,346,853 | \$2,392,153 | \$2,392,153 | \$2,346,853 | \$2,443,036 | \$28,987,333 |
| 174 SUBTOTAL DEMAND STORAGES | \$290,102 | \$297,929 | \$297,929 | \$282,278 | \$297,929 | \$290,102 | \$297,929 | \$290,102 | \$297,929 | \$297,929 | \$290,102 | \$297,929 | \$3,528,189 |
| 175 TOTAL DEMAND | \$2,687,838 | \$2,802,965 | \$2,802,965 | \$2,696,711 | \$2,802,965 | \$2,636,955 | \$2,690,082 | \$2,636,955 | \$2,690,082 | \$2,690,082 | \$2,636,955 | \$2,740,965 | \$32,515,522 |
| 176 | | | | | | | | | | | | | |
| 177 TOTAL EXPENSE \$ | | | | | | | | | | | | | |
| 178 TOTAL FIRM TRANSPORT | \$6,742,145 | \$10,245,237 | \$10,531,396 | \$7,874,656 | \$6,905,278 | \$5,302,885 | \$3,913,288 | \$3,606,532 | \$3,845,870 | \$4,339,931 | \$4,942,811 | \$6,314,878 | \$74,564,907 |
| 179 TOTAL STORAGE CHARGES | \$923,833 | \$2,391,762 | \$3,149,906 | \$2,859,722 | \$866,024 | (\$832,371) | (\$860,117) | (\$909,737) | (\$950,004) | (\$971,893) | (\$970,428) | (\$680,924) | \$4,015,774 |
| 180 PRIOR PERIOD ADJUSTMENTS | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 181 TOTAL GAS SUPPLY EXPENSE \$ | \$7,665,978 | \$12,637,000 | \$13,681,302 | \$10,734,379 | \$7,771,302 | \$4,470,514 | \$3,053,171 | \$2,696,795 | \$2,895,866 | \$3,368,038 | \$3,972,383 | \$5,633,954 | \$78,580,681 |
| 182 | | | | | | | | | | | | | |
| 183 CREDIT FROM CAPACITY RELEASE \$ | \$123,000 | \$80,600 | \$80,600 | \$75,400 | \$158,100 | \$100,050 | \$111,135 | \$107,550 | \$111,135 | \$111,135 | \$107,550 | \$103,385 | \$1,269,640 |
| 184 CREDIT FROM OFF-SYSTEM SALES \$ | \$101,190 | \$249,159 | \$504,764 | \$499,981 | \$236,972 | \$36,792 | \$136,403 | \$164,721 | \$303,569 | \$272,508 | \$110,221 | \$77,353 | \$2,693,633 |
| 185 TOTAL CREDIT | \$224,190 | \$329,759 | \$585,364 | \$575,381 | \$395,072 | \$136,842 | \$247,538 | \$272,271 | \$414,704 | \$383,643 | \$217,771 | \$180,738 | \$3,963,273 |
| 186 | | | | | | | | | | | | | |
| 187 WACCOG with Hedges, \$/MCF | \$3.14 | \$3.40 | \$3.46 | \$3.29 | \$2.97 | \$2.79 | \$1.87 | \$1.16 | \$2.18 | \$4.05 | \$3.94 | \$3.38 | \$3.27 |
| 188 WACCOG without Hedges, \$/MCF | \$2.96 | \$3.32 | \$3.43 | \$3.27 | \$2.96 | \$2.78 | \$1.86 | \$1.10 | \$2.16 | \$4.05 | \$3.94 | \$3.38 | \$3.22 |
| 189 | | | | | | | | | | | | | |
| 190 NYMEX Gas Futures 08/04/23 | \$3.18 | \$3.64 | \$3.87 | \$3.79 | \$3.51 | \$3.20 | \$3.19 | \$3.28 | \$3.39 | \$3.44 | \$3.42 | \$3.50 | |
| 191 Difference from WACCOG (without Hedges) | (\$0.22) | (\$0.32) | (\$0.44) | (\$0.52) | (\$0.55) | (\$0.42) | (\$1.33) | (\$2.18) | (\$1.23) | \$0.62 | \$0.53 | (\$0.13) | |
| 192 | | | | | | | | | | | | | |
| 193 | | | | | | | | | | | | | |
| 194 Total Firm Sendout | 1,583,210 | 2,893,335 | 3,141,009 | 2,445,738 | 1,675,544 | 656,396 | 193,863 | 51,500 | 94,495 | 167,212 | 338,553 | 856,852 | 14,097,709 |
| 195 +Storage Injection | 0 | 0 | 0 | 0 | 0 | 426,625 | 443,558 | 443,523 | 443,558 | 495,088 | 495,053 | 388,768 | 3,136,173 |
| 196 -Storage Withdrawl | (224,324) | (736,884) | (993,997) | (907,029) | (208,299) | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) | (3,105,533) |
| 197 Total Hedgeable In Mcf | 1,358,886 | 2,156,451 | 2,147,012 | 1,538,709 | 1,467,245 | 1,078,021 | 632,421 | 490,023 | 533,053 | 657,300 | 828,606 | 1,240,620 | 14,128,349 |
| 198 Total Hedgeable In Dth | 1,406,447 | 2,231,927 | 2,222,157 | 1,592,564 | 1,518,598 | 1,115,752 | 654,556 | 507,174 | 551,710 | 680,305 | 857,607 | 1,284,042 | 14,622,842 |

SCHEDULE JBJ-4

DELMARVA POWER & LIGHT COMPANY
PERCENTAGE HEDGED AND AVERAGE HEDGE COSTS (IN MMBtu)
2023-2024 GCR

Schedule JBJ-4

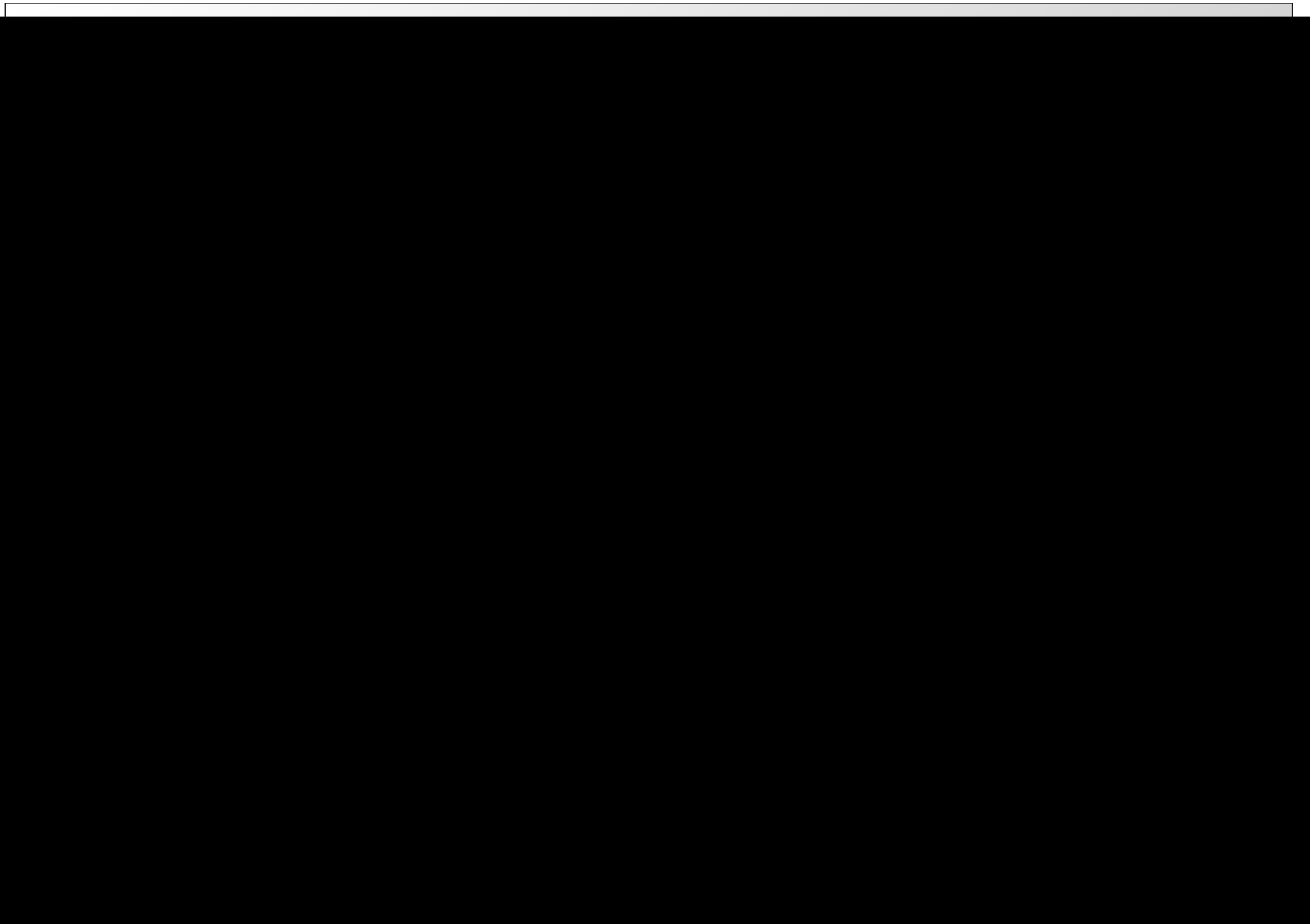
| | A | B | C | D | E | F | G | H |
|----|---------------|---------------------------|-------------------|-----------------------------|--------------------|-------------------------|---------------------------------|---|
| | Month | GCR Purchase Requirements | Volume Hedged (1) | Percent Hedged [C / B] | Avg Cost Per MMBtu | Hedge Cost [C x E] | Projected Settle Price (2), (3) | Projected Market Value of Hedges [G - E] x C |
| 1 | Nov 2023 | 1,306,725 | 467,500 | 36% | \$3.688 | \$1,724,225 | \$3.075 | (\$286,663) |
| 2 | Dec 2023 | 1,697,620 | 607,500 | 36% | \$3.888 | \$2,361,888 | \$3.514 | (\$227,133) |
| 3 | Jan 2024 | 1,674,080 | 562,500 | 34% | \$3.925 | \$2,207,575 | \$3.737 | (\$105,513) |
| 4 | Feb 2024 | 1,517,918 | 405,000 | 27% | \$3.756 | \$1,521,300 | \$3.666 | (\$36,570) |
| 5 | Mar 2024 | 1,556,636 | 360,000 | 23% | \$3.417 | \$1,230,183 | \$3.387 | (\$10,863) |
| 6 | Apr 2024 | 1,428,390 | 245,000 | 17% | \$3.121 | \$764,738 | \$3.092 | (\$7,198) |
| 7 | May 2024 | 992,924 | 117,500 | 12% | \$3.101 | \$364,338 | \$3.081 | (\$2,320) |
| 8 | Jun 2024 | 802,624 | 55,000 | 7% | \$3.226 | \$177,450 | \$3.171 | (\$3,045) |
| 9 | Jul 2024 | 728,822 | 25,000 | 3% | \$3.335 | \$83,375 | \$3.274 | (\$1,525) |
| 10 | Aug 2024 | 788,606 | - | 0% | \$0.000 | \$0 | \$3.321 | \$0 |
| 11 | Sep 2024 | 932,121 | - | 0% | \$0.000 | \$0 | \$3.302 | \$0 |
| 12 | Oct 2024 | 1,185,849 | - | 0% | \$0.000 | \$0 | \$3.383 | \$0 |
| 13 | Totals | 14,612,316 | 2,845,000 | 19% | \$3.668 | \$10,435,070 | \$3.334 | (\$680,828) |
| 14 | | | | | | | | |
| 15 | Totals in Mcf | 14,118,179 | 2,748,792 | 19% | \$3.796 | \$10,435,070 | \$3.450 | (\$680,828) |

(1) Hedges executed according hedging program established in PSC Order 7658, dated October 6, 2009

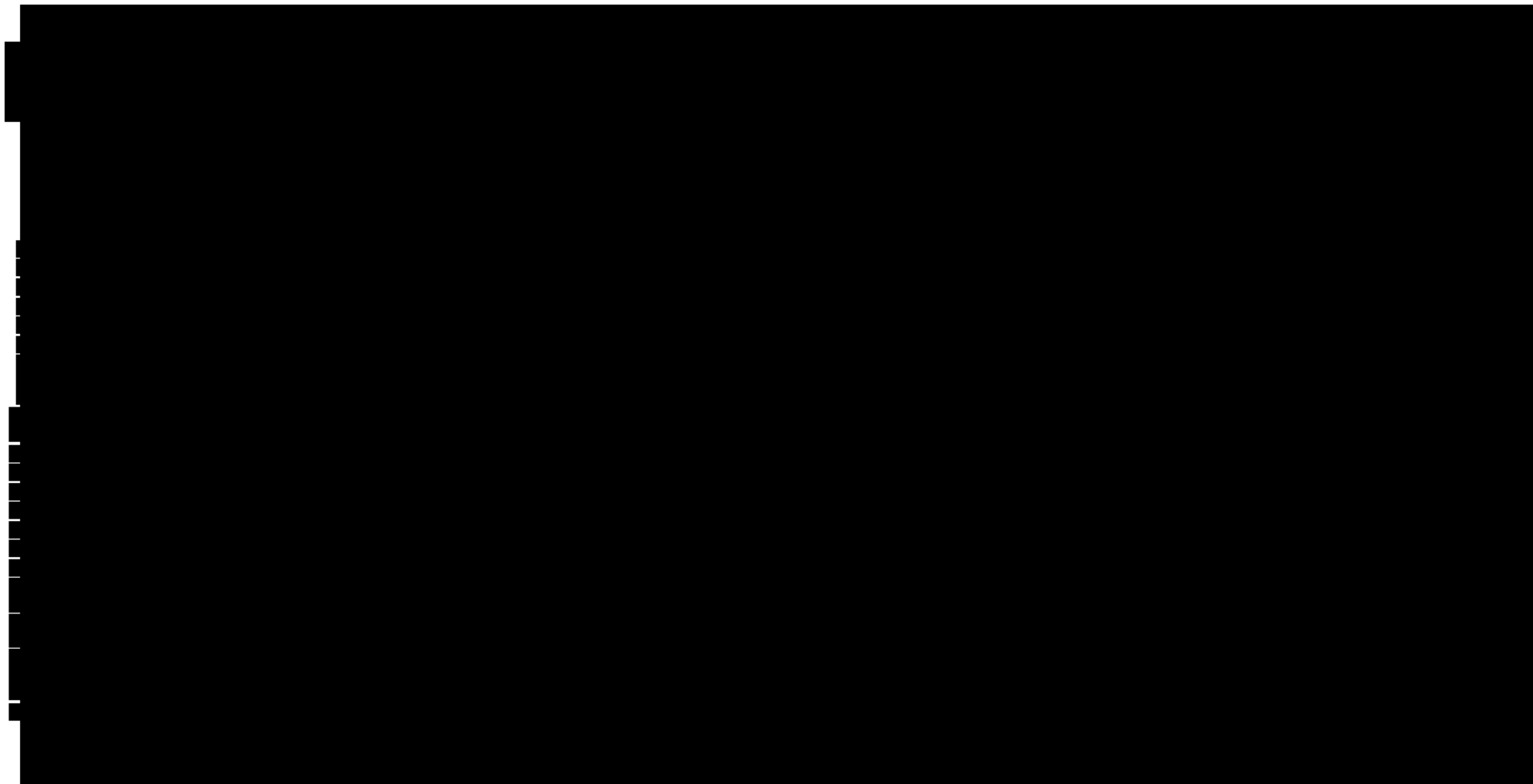
(2) August 4, 2023 NYMEX prices

(3) The total presented here is the arithmetic average of the months

SCHEDULE JBJ-5
CONFIDENTIAL



SCHEDULE JBJ-6
CONFIDENTIAL



DELMARVA POWER & LIGHT COMPANY
2023-2024 GAS COST RATE CASE
TESTIMONY OF
ROBERT J. COAN

**BEFORE THE
DELAWARE PUBLIC SERVICE COMMISSION**

**DELMARVA POWER & LIGHT COMPANY
GAS COST RATE CASE
NOVEMBER 2023 THROUGH OCTOBER 2024
DOCKET NO. 23-_____**

**DIRECT TESTIMONY
OF
ROBERT J. COAN**

August 30, 2023

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I. INTRODUCTION

Q1. Please state your name, position, and business address.

A1. My name is Robert J. Coan, Senior Rate Analyst, Pricing & Regulatory Services for Pepco Holdings, LLC (PHI). I am testifying on behalf of Delmarva Power & Light Company (“Delmarva Power” or the “Company”), a subsidiary of PHI. My office is located at 500 N. Wakefield Drive, Newark, Delaware 19702.

Q2. What are your responsibilities in your role as Senior Rate Analyst?

A2. As a Senior Rate Analyst, I am responsible for the Delaware Gas Cost Rates (“GCR”), Standard Offer Service Rates (“SOS”), Qualified Fuel Cell Provider Rates, Purchase of Receivables Discount Rates, Delmarva Power Delaware Energy Efficiency rate, and other related activities.

Q3. Please state your educational background and relevant experience.

A3. I hold a Bachelor of Science degree in Accounting from The University of Delaware. I have been employed by PHI, including various regulated and deregulated subsidiaries, since February of 1981. I have worked primarily in accounting, billing and regulatory functions with about thirteen years spent working in deregulated energy subsidiaries.

In prior roles, my responsibilities included energy hedge accounting, third party SOS supplier accounting, unregulated retail billing, fixed asset accounting and external SEC and FERC reporting for PHI’s various legal entities.

1 **Q4. Have you previously provided testimony to the Delaware Public Service**
2 **Commission?**

3 A4. Yes. I testified concerning the Standard Offer Service, Docket Nos. 17-0164,
4 18-0179, 20-0236, 21-0199 and 22-0246; Renewable Portfolio Standards, Docket Nos.
5 17-0163, 18-0180, 20-0237, 21-0198 and 22- 0247 annual rate updates. In addition, I
6 also provided written testimony in Delmarva Power's 2017-2018, 2018-2019, 2019-
7 2020, and 2021-2022 GCR filings, Docket Nos. 17-1013, 18-1049, 19-0556, 20-0549,
8 21-0672 and 22-0726 respectively.

9 **II. PURPOSE**

10 **Q5. What is the purpose of your testimony in this proceeding?**

11 A5. The purpose of my testimony is to support Delmarva Power's Application for
12 a change to the GCR to be effective with usage on and after November 1, 2023, with
13 proration, and subject to refund after final Delaware Public Service Commission
14 (Commission) approval. As detailed further in the Application, Delmarva Power's
15 request is to decrease the GCR for residential customers by approximately 40.3% from
16 72.187¢/CCF to 43.071¢/CCF. The effect of this proposed decrease on a typical
17 residential space heating customer using a 12 month average of 56 CCF per month
18 would be a decrease of \$16.30 or 18.1%, from \$89.91 to \$73.61, on a typical monthly
19 bill. The GCR impact for other customer classes is fully addressed in the Application.

20 My pre-filed testimony supports the calculation of the GCR as required by the
21 Gas Service Tariff, which is summarized on Schedule RJC-1, Page 1. Proposed and
22 Red-Line updates to GCR tariff pages are shown in Schedule RJC-11. Calculation of
23 the proposed GCR factors is based on the gas sales forecast sponsored by Company

1 Witness Wilson-Archie, as well as the delivered cost of purchased gas, weighted
2 average commodity cost of gas (“WACCOG”), and off-system sales and capacity
3 release estimates, all sponsored by Company Witness Jacoby. My testimony was
4 prepared by me or under my direct supervision. The source documents for my
5 testimony are Company records. I also rely on my education, personal knowledge, and
6 experience.

7 My testimony specifically addresses the following matters:

1. The development of the GCR based on the Gas Service Tariff;
2. The Balancing Charge and the Pressure Support Fee (“PSF”) being updated in this Application for Gas Transportation Customers;
3. The status of compliance with the provisions of Paragraphs 9, 10 and 12 of the Settlement Agreement approved by Commission Order No. 10221 in PSC Docket No. 22-0726.
4. The audit of the 2022 Calendar year;
5. The Company’s change to the Transition Cost Adjustment Charge (“TCAC”) as referenced in Company Witness Wilson-Archie’s testimony, Schedule SWA-5.

18 **III. DISCUSSION**

19 **Q6. Does Delmarva Power propose any change in the method for calculating the 2023-**
20 **2024 GCR?**

21 A6. The Company does not propose any change in calculating the 2023-2024 GCR.

1 **Q7. Please compare the proposed 2023-2024 GCR to the current rate.**

2 A7. The GCR components applicable to Firm Sales Customers, compared with the
3 currently effective GCR factors, are shown below:

4 **GAS COST RATE**

| | Current – effective April 1 2023¹ | Proposed | Change |
|--|---|-----------------|----------------|
| RG, RGS, GG, GL, and N/E MVG | 72.187 ¢/CCF | 43.071 ¢/CCF | (29.116)¢/CCF |
| LVG, Electing MVG, SBS Demand | \$1.8638 /MCF | \$1.7494 /MCF | \$(0.1144)/MCF |
| LVG, Electing MVG, SBS Commodity | Varies Monthly | Varies Monthly | N/A |

5 The 2023-2024 calculation of the GCR factors is summarized on Schedule RJC-
6 1, Page 1 of 4. Calculations which support the Commodity Cost Rate (“CCR”) factors
7 appear on Schedule RJC-1, Page 2. The Commodity Cost Revenues for Large Volume
8 Gas Sales Service (“LVG”) and Electing Medium Volume Gas Sales Service (“MVG”)
9 customers are shown on Schedule RJC-1, Page 3. Derivation of the Demand Cost Rate
10 (“DCR”) is shown on Schedule RJC-1, Page 4. The details of the calculation of Off-
11 System Sales and Capacity Release Margins are itemized on Schedule RJC-2.
12 Schedule RJC-3 includes the derivation of the Demand Expense True-up for the prior
13 GCR period. Schedules RJC-4 through 6 contain the Recovery Schedules and the
14 associated interest calculations based on actual information for the 2021-2022 GCR

¹ The rates currently in effect are a result of a supplemental GCR update filing added to Docket No, 22-0726, on 2/24/2023 for rates to be effective 4/1/2023. The supplemental filing, as required by Tariff Leaf 35 D, updated the GCR filed August 29,2022, effective 11/1/2022 in the same docket.

1 period, 9 months actual and 3 months estimated for the current 2022-2023 GCR period,
2 and 12 months estimated for the Application Period in this filing. Schedules RJC-7 and
3 RJC-8 contain comparisons of sales and recoverable fuel costs. The presently effective
4 DCR factor applicable to Electing MVG and LVG Customers, and the current CCR
5 and DCR factors applicable to Residential Gas Sales Service (“RG”), Residential Gas
6 Space Heating (“RGSH”), General Gas Sales Service (“GG”) and Non-Electing MVG
7 Customers were approved by Commission Order No. 10221, in Docket No. 22-0726.
8 The DCR factor and CCR factor rates became effective with usage on and after
9 November 1, 2022 and revised with usage on and after April 1, 2023 , with proration.

10 **Q8. Please explain the derivation of the estimated firm gas expenses for the period**
11 **November 2023 through October 2024.**

12 A8. The total estimated gas expenses for the upcoming GCR period are sponsored
13 by Company Witness Jacoby on Schedule JBJ-3. Estimated gas costs associated with
14 Company use are credited against total estimated gas commodity costs in their entirety.
15 Transition Charge revenue from customers who switch from Firm Sales to
16 Transportation Service, the Balancing Charge and the PSF are all credited against
17 estimated gas demand expenses at 100% of their value. Also credited against gas
18 commodity costs are revenue credits for service to Interruptible Gas Transportation
19 Customers. These credits represent 80% of their customer and delivery charges.

20 Margins from Capacity Release and Off-System Sales are credited to the GCR at
21 100%, until a total credit of \$3.0 million is reached for the 12-month period ending
22 every June. Once the \$3.0 million threshold is met, the margins are then shared at 80%
23 to the GCR and 20% to the Company level until the following July.

1 **Q9. Please discuss the gas costs and recoveries for the current November 2022 through**
2 **October 2023 GCR period.**

3 A9. The monthly comparison of actual gas cost and recovery for the period
4 November 2022 through July 2023, and estimated² August 2023 through October 2023,
5 are shown in Schedule RJC-5, Pages 1 and 2. Firm gas costs and recoveries have been
6 compared for each of those months to determine the monthly over or under-recovery
7 of gas costs.

8 Schedule RJC-5, Page 1, shows the projected over-recovery balance of
9 \$9,793,458 (exclusive of interest) of estimated recoverable gas expenses, which is
10 based on nine months of historical data and three months of recovery estimates
11 prepared for this Application. The Actual Adjusted Deferred Fuel Balance on
12 November 1, 2022 was an under-recovery of \$4,545,089.

13 **Q10. Please discuss the interest calculation.**

14 A10. As specified in Leaf No. 35 of Delmarva Power's Gas Service Tariff, interest
15 due to Customers in the amount of \$615,830 was calculated based on the average
16 monthly gas deferred fuel balances, at the rate of 1/12 of the applicable FERC Natural
17 Gas Interest Rate Factor. The FERC Natural Gas Interest Factors were 4.91% for
18 November 1, 2022 through December 31, 2022, 6.31% for January 1, 2023 through
19 March 31, 2023, 7.50% for April 1, 2023 through June 30, 2023, 8.02% for July 1,
20 2023 through September 30, 2023 and 3.60% for October 2023. This information is
21 available on the FERC website. In months when there is an Average Over-Recovery

² Estimated expenses and revenues for August – October 2023 were updated in a supplemental filing, as part of Docket No. 22-0726, dated February 24, 2023.

1 Balance in excess of 4.5% of the Total Recoverable Fuel Expense, the excess balance
2 is subject to an additional 2% interest charge which is added at the rate of 1/12 to the
3 applicable FERC Natural Gas Interest Rate Factor. The interest calculation for the
4 2022-2023 GCR period is based on nine months of historical data and three months of
5 estimates prepared for this Application and is detailed on Schedule RJC-6.

6 **Q11. Please describe the derivation of the proposed CCR and DCR factors for the 2023-**
7 **2024 GCR Application Period.**

8 A11. Two steps derive the CCR factors for Delmarva Power's Firm Customers. First,
9 total estimated firm commodity costs are allocated between Annual CCR (RG, RGS, H,
10 GG, GL, and Non-Electing MVG Customers) and Monthly CCR (LVG and Electing
11 MVG) Customers. Monthly CCR Customer costs are derived by setting the commodity
12 portion each month at the system WACCOG projected for that month (as adjusted for
13 lost and unaccounted-for-gas). This method sets monthly commodity revenues equal
14 to expenses for Monthly CCR Customers. All remaining estimated firm commodity
15 expenses are assigned to the Annual CCR Customers. During the 2022-2023 GCR
16 Period, there were no LVG nor Electing MVG Customers on Delmarva Power's
17 system. Also, in the 2023-2024 Period there are no forecasted LVG or Electing MVG
18 customers, as reflected in Company Witness Wilson-Archie's Schedule SWA-1. In
19 periods when there are LVG or electing-MVG sales forecasted, Schedule RJC-1, Page
20 3, details the calculation of these assigned costs and revenues. All remaining estimated
21 firm commodity expenses are assigned to the Annual CCR customers.

22 Once the assignment of estimated firm commodity costs between Annual and
23 Monthly CCR customers has been made, the Annual CCR factor can be calculated.

1 Any over-recovery or under-recovery balance and associated interest remaining from
2 the prior GCR period, net of the demand cost true-up discussed in response to Question
3 No. 12, is assigned to the Annual CCR customers. The calculation of commodity gas
4 cost factors is shown on Schedule RJC-1, Page 2.

5 Firm gas demand expenses are recovered through a volumetric DCR factor, where
6 total recoverable costs are divided by the aggregate amount of the Firm Full
7 Requirements GCR forecast sales sponsored by Company Witness Wilson-Archie. The
8 calculation of the volumetric DCR factor appears on Schedule RJC-1, Page 4.

9 **Q12. Please discuss the demand cost true-up included in the calculation of the Demand**
10 **Cost Rate factors for both volumetric and non-volumetric customers.**

11 A12. A true-up of demand-related cost differences has been applied to all Sales
12 Customers. This true-up is achieved by comparison of the estimated monthly demand
13 costs and the actual demand costs for the period of August 2022 through July 2023.
14 The cumulative monthly variance is multiplied by 1/12 of the FERC Gas Refund Rate
15 then in effect. The total true-up (variance plus interest) of negative \$1,070,641 is
16 allocated among the volumetric and non-volumetric customers in the development of
17 the volumetric and non-volumetric DCR factor calculations. This calculation appears
18 on Schedule RJC-3.

19 **Q13. Please describe Schedules RJC-7 through RJC-9, page 2.**

20 A13. Schedule RJC-7 details actual and estimated monthly sales for the twelve
21 months ended October 31 in 2022, 2023, and 2024. Schedule RJC-8 details the actual
22 and estimated gas costs and regulatory credits for the twelve months ended October 31

1 in 2022, 2023, and 2024. Schedule RJC-9, pages 1 and 2, provide the actual recovery
2 and cost results for the twelve-month reconciliation period ended July 31, 2023.

3 **Q14. Are there any changes to the PSF calculation as compared with the 2022-2023**
4 **GCR Application?**

5 A14. Consistent with the Settlement Agreement Paragraphs 9 and 10, in Order No.
6 10221, within Docket No. 22-0726, the Company has included an allocation of
7 incremental LNG trucking costs. Specifically, the PSF calculation includes \$4,638
8 (See Schedule RJC-10, page 1) or 17.3% of the incremental trucking costs incurred in
9 September 2022 for Wilmington LNG tank new employee training. This adjustment is
10 then included in the demand credits to GCR customers as noted in Schedule RJC-1,
11 page 4. Furthermore, beyond the September 2022 costs noted above, there have been
12 no additional trucking costs in the actual results from August 2022 to July 2023, or
13 anticipated trucking costs in the forecasted period August 2023 to October 2024. The
14 Company will make a similar adjustment if actual trucking costs do occur in the future.

15 Otherwise, the calculation is consistent with the methodology used in the
16 approved 2022-23 Application Docket No. 22-0726, Order No. 10221. It allocates a
17 portion of the Eastern Shore Natural Gas (“ESNG”) capacity costs to Firm
18 Transportation Service and Large Volume Gas-Qualifying Fuel Cell Provider-
19 renewable Capable (“LVG-QFCP-RC”) Customers. As shown on Schedule RJC-10,
20 page 1, Firm Transportation and LVG-QFCP-RC Customers have been allocated 36%
21 of the ESNG capacity costs for the 2023-2024 GCR Period, at a rate of \$0.2958 per
22 MCF of throughput.

1 **Q15. Is the Balancing Charge calculation performed in a manner consistent with the**
2 **2022-2023 GCR Application?**

3 A15. The calculation is consistent with the methodology used in 2022-23 Application
4 in Docket No. 22-0726 and approved by the Commission in Order No. 10221. As
5 shown on Schedule RJC-10, page 2, Transportation and LVG-QFCP-RC Customers
6 have been allocated 26% of the Company's projected 2023-2024 annual upstream cost
7 for Swing and Storage Services at a rate of \$0.9365 per MCF of Balancing Service
8 Requirements.

9 **Q16. Please summarize the GCR factors proposed for the 12-month period beginning**
10 **November 1, 2023.**

11 A16. The proposed GCR factors applicable to volumetric customers for the 2023-
12 2024 GCR period are based on the following amounts:

| | <u>Commodity</u> | <u>Demand</u> | <u>Total</u> |
|---|-------------------------|----------------------|---------------------|
| Estimated Firm Gas Costs for the 2023/2024 GCR period | 46,022,533 | 24,871,330 | 70,893,863 |
| Estimated Under-Recovery Position at 10/31/23 | (9,793,458) | N/A | (9,793,458) |
| True-Ups and Timing Differences | (815,500) | (1,070,641) | (1,886,141) |
| Interest | (615,830) | N/A | (615,830) |
| Subtotal | 34,797,745 | 23,800,689 | 58,598,434 |
| Monthly CCR Factor Credit | | | |
| MVG/LVG DCR Factor Credit | | | |
| Volumetric Expenses | 34,797,745 | 23,800,689 | 58,598,434 |
| Estimated 2023-2024 GCR Period Sales (MCF) | 13,605,306 | 13,605,306 | |
| Volumetric Gas Cost Rate | \$2.5577 / Mcf | \$1.7494 / Mcf | \$4.3071 / Mcf |

1 **Q17. What are the components of the GCR?**

2 A17. The GCR is comprised of the following components:

| | <u>2023- 2024</u> <u>(\$/MCF)</u> | <u>Effective</u> <u>April 1</u> <u>2023</u> <u>(\$/MCF)</u> | <u>Variance</u> <u>(\$/MCF)</u> |
|-----------------------|--|--|-------------------------------------|
| Commodity Related | 3.2441 | 4.9390 | (1.6949) |
| Demand Related | 1.8281 | 1.8705 | (0.0424) |
| Prior Period Balances | (0.7651) | 0.4092 | (1.1743) |
| Proposed GCR | 4.3071 | 7.2187 | (2.9116) |

3 The Commodity component is primarily composed of the cost of delivered
4 natural gas as estimated based on the NYMEX close on August 4, 2023. The Demand
5 component is the unit cost of Delmarva Power’s transportation and storage assets. The
6 Commodity and Demand components are described in greater detail in Company
7 Witness Jacoby’s testimony. The prior period balances are the over/under collection
8 carried over from the prior GCR period.

9 **Q18. What will be the effect of the proposed GCR on customers’ bills?**

10 A18. The effect of the proposed GCR on a typical residential space heating customer,
11 using 56 CCF in a typical month is summarized as follows:

| Bill Component | Base Rates and Current GCR | Base Rates and Proposed GCR | % Change |
|-----------------------|---------------------------------------|--|-----------------|
| Base Rate | \$49.49 | \$49.49 | 0% |
| GCR | \$40.42 | \$24.12 | (40.3%) |
| Total Bill Amount | \$89.91 | \$73.61 | (18.1%) |
| | | | |
| \$ Decrease | | \$16.30 | |

12 Gas supply costs included in the proposed GCR would represent approximately
13 33% of the typical residential space heating customer bill amount.

1 Customers served on Service Classification GG will experience a decrease on
2 their bills within the range of 8.4% to 25.7%. Customers served on Service
3 Classification MVG will experience a decrease on their bills within the range of 23.9%
4 to 33.2%. The amount of the decrease for these customers will depend upon their load
5 and usage characteristics.

6 **Q19. Please describe the status of the 2022 GCR audit.**

7 A19. SB & Company, LLC is in the process of completing the audit for Delmarva
8 Power & Light Company's Report on the Comparison of Gas Expense and Recovery
9 for the calendar year ended 2022 (Report). This audit includes the review of a sampling
10 of customer billing, and both regulatory and accounting records concerning sales, gas
11 costs and gas cost revenue. SB & Company, LLC is expected to issue an opinion that
12 the Report is presented fairly in all material respects. The final Report will be filed
13 with the Commission on or before October 31, 2023.

14 **Q20. Please provide an update on the status of Company's 2022-2023 GCR filing in**
15 **Docket No. 22-0726 .**

16 A20. The application in Docket No. 22-0726 was filed on August 29, 2022 for rates
17 to be effective November 1, 2022. A supplemental application was made under the
18 same docket on February 24, 2023 for rates to be effective April 1, 2023. Both the
19 initial and supplemental applications were approved as final by Order No. 10221 on
20 April 26, 2023. Paragraph 12 of the Settlement Agreement states that the parties agree
21 to meet to discuss process improvements in the GCR process. Internal Company
22 discussions pertaining to the GCR process improvements have started in Q2 2023. It

1 is anticipated that discussions will expand to key external stakeholders during Q3 2023.
2 These discussions will not impact the current GCR application.

3 **Q21. Please reference the tariff revisions proposed by Delmarva Power in this filing.**

4 A21. Included with the Application, are proposed and red-lined (to show the
5 modifications required) Gas Tariff Leaf Nos. 37, 37a, 38, 39, 53, 55, and 59, shown in
6 Schedule RJC-11.

7 **Q22. What is Delmarva Power requesting of the Commission in this filing?**

8 A22. Delmarva Power respectfully requests that the Commission:

- 9 1. Approve the proposed Gas Cost Rate factors to become effective with usage
10 on and after November 1, 2023, with proration,
- 11 2. Approve the proposed Balancing Charge for the November 2023 – October
12 2024 GCR period.
- 13 3. Approve the proposed PSF for the November 2023 – October 2024 GCR
14 period.
- 15 4. Approve the proposed change to the TCAC, as referenced in Schedule SWA-
16 5 of Witness Wilson-Archie’s testimony for the November 2023 – October
17 2024 GCR period.

18 **IV. CONCLUSION**

19 **Q23. Does this conclude your direct testimony at this time?**

20 A23. Yes, it does.

SCHEDULE RJC-1

Delmarva Power & Light Company
Summary of Gas Cost Rate
Commodity and Demand Cost Factors
For November 2023 Through October 2024

| Description | RG, RGSH, GG, GL & Non-Electing MVG | LVG, Electing MVG, and SBS |
|----------------------------|--|--|
| Commodity | \$2.5577 Per Mcf | Varies |
| Demand | \$1.7494 Per Mcf | \$1.7494 Per Mcf |
| Total GCR | \$4.3071 Per Mcf | Varies |
| | Firm Transportation Service | Interruptible Transportation Service |
| Balancing Charge | \$0.9365 Per Mcf | \$0.9365 Per Mcf |
| Pressure Support Fee | \$0.2958 Per Mcf | N/A |
| Transition Charge Rate | \$0.37 Per Mcf | N/A |
| Monthly Rate per Gas Light | \$ 6.46 | |

Delmarva Power & Light Company
Calculation of Gas Cost Rate Commodity Cost Factors
For November 2023 Through October 2024

| Description | RG, RGSH, GG, GL and Non Electing MVG | Electing MVG | LVG | Total |
|--|---|-----------------|---------------|----------------|
| Estimated Under or (Over) Recovery on October 31, 2023 | \$ (9,793,458) | \$ - | \$ - | \$ (9,793,458) |
| Estimated 2022/2023 GCR Period Interest Expense | (615,830) | 0 | 0 | (615,830) |
| Estimated GCR Under or (Over) Recovery on November 1, 2023 | (10,409,288) | 0 | 0 | (10,409,288) |
| Demand Expense True-Up (1) | 1,070,641 | 0 | 0 | |
| Proration of November 2023 GCR (2) | (1,886,141) | 0 | 0 | (1,886,141) |
| Total Estimated Firm Commodity Costs | 46,022,533 | 0 | 0 | 46,022,533 |
| Total Commodity Revenue to be Collected | \$ 34,797,745 | \$ - | \$ - | \$ 34,797,745 |
| Estimated Firm Sales (Mcf) | 13,605,306 | 0 | 0 | 13,605,306 |
| Commodity Cost Rate (CCR) Factor (Per MCF) | <u>\$ 2.5577</u> | <u>Varies</u> | <u>Varies</u> | <u>N / M</u> |

N / M = Not Meaningful

Notes:

- (1) See Schedule RJC-3 for Demand Expense True-Up calculation.
- (2) November 2023 revenue from RG, GG, GL, and MVG is prorated between old and new GCR, which corrects for a revenue deficit when rates are rising and a revenue surplus when rates are falling. The adjustment is calculated as follows:

| | One Half of November 2023 Sales | Proposed Rate / MCF (Before proration adjustment) | Current Rate / MCF (Before proration adjustment) | Difference | Manual True-up Adj | Total Adjustment |
|---------------------------------|------------------------------------|--|---|------------|-----------------------|----------------------|
| RG, RGSH, GG, GL , Non-Elec MVG | 647,713 | \$4.3670 | \$7.2187 | (\$2.8517) | (\$39,058) | (\$1,886,141) |
| Electing MVG and LVG | 0 | \$1.7494 | \$1.8638 | (\$0.1144) | | \$0 |
| Total | <u>647,713</u> | | | | | <u>(\$1,886,141)</u> |

Delmarva Power & Light Company
Monthly MVG and LVG Commodity Cost Factor Revenues
For August 2023 Through October 2024
(15 Months Estimated)

| Description | System WACCOG (\$/Mcf) | Commodity Rate (1) (\$/Mcf) | LVG Sales (Mcf) | LVG Revenue (\$) | Electing MVG Sales (Mcf) | Electing MVG Revenue (\$) | Total Monthly CCR Revenue (\$) |
|-----------------------|------------------------------|-----------------------------------|-----------------------|------------------------|-----------------------------------|------------------------------------|---|
| August 2023 | 5.0518 | 5.2388 | 0 | 0 | 0 | 0 | 0 |
| September 2023 | 5.0384 | 5.2248 | 0 | 0 | 0 | 0 | 0 |
| October 2023 | 5.0891 | 5.2774 | 0 | 0 | 0 | 0 | 0 |
| November 2023 | 3.1826 | 3.2940 | 0 | 0 | 0 | 0 | 0 |
| December 2023 | 3.6370 | 3.7643 | 0 | 0 | 0 | 0 | 0 |
| January 2024 | 3.8678 | 4.0032 | 0 | 0 | 0 | 0 | 0 |
| February 2024 | 3.7943 | 3.9271 | 0 | 0 | 0 | 0 | 0 |
| March 2024 | 3.5055 | 3.6282 | 0 | 0 | 0 | 0 | 0 |
| April 2024 | 3.2002 | 3.3122 | 0 | 0 | 0 | 0 | 0 |
| May 2024 | 3.1888 | 3.3004 | 0 | 0 | 0 | 0 | 0 |
| June 2024 | 3.2820 | 3.3969 | 0 | 0 | 0 | 0 | 0 |
| July 2024 | 3.3886 | 3.5072 | 0 | 0 | 0 | 0 | 0 |
| August 2024 | 3.4372 | 3.5575 | 0 | 0 | 0 | 0 | 0 |
| September 2024 | 3.4176 | 3.5372 | 0 | 0 | 0 | 0 | 0 |
| October 2024 | 3.5014 | 3.6240 | 0 | 0 | 0 | 0 | 0 |
| 2023/2024 GCR Period. | | | 0 | 0 | 0 | 0 | 0 |

Note:

- (1) Monthly Commodity Rate is equal to the System Weighted Average Commodity Cost of Gas (WACCOG) adjusted for losses of 3.7% through Oct 2023 and 3.5% beginning Nov 2023.

Delmarva Power & Light Company
Calculation of Gas Cost Rate Demand Cost Factor
For November 2023 Through October 2024

| <u>Description</u> | <u>Amount</u> |
|---|------------------------|
| Total Gas Demand Expense | \$32,515,522 |
| <u>Demand Credits:</u> | |
| Off System Sales & Swaps Margins | (2,621,592) |
| Capacity Release Margins | (1,196,407) |
| Interruptible Gas Transportation Margins | (747,590) |
| Transition Charges | (26,796) |
| Pressure Support Fees | (2,130,854) (1) |
| Balancing Charges | (920,953) |
| Total Demand Revenue Credits | <u>(7,644,192)</u> |
| Total Firm Gas Supply Demand Expense | \$24,871,330 |
| Total Demand Expense True-Up | <u>(1,070,641)</u> |
| Total Firm Gas Supply Demand Expense with True-up | \$23,800,689 |
| Estimated Firm Volumetric Sales (Mcf) | <u>13,605,306</u> |
| Demand Cost Rate (DCR) Factor (Per MCF) | <u><u>\$1.7494</u></u> |

Note: (1) Per order 10221 settlement agreement, Pressure support fee includes a \$4,638.09 credit related to 2022 Trucked in LNG.

SCHEDULE RJC-2

Delmarva Power & Light Company
Capacity Release & Off System Sales
For July 2022 Through October 2024

| <u>Month</u> | <u>Capacity Release Revenue</u> (\$) | <u>Off-System Revenue</u> (\$) | <u>Off-System Sales Expenses</u> (1) (\$) | <u>Off-System Sales Margins</u> (\$) | <u>Total Margins</u> (\$) | <u>Accumulated Margins</u> (\$) | <u>Margins Shared</u> (\$) | <u>Percentage of Margins Shared</u> (%) |
|----------------|---|---------------------------------------|--|---|----------------------------------|--|-----------------------------------|--|
| July 2022 | 73,329 | 6,178,897 | 5,159,175 | 1,019,722 | 1,093,051 | 1,093,051 | 1,093,051 | 100.00% |
| August 2022 | 99,551 | 5,694,883 | 5,178,223 | 516,660 | 616,211 | 1,709,262 | 616,211 | 100.00% |
| September 2022 | 85,460 | 3,396,706 | 3,246,451 | 150,255 | 235,715 | 1,944,977 | 235,715 | 100.00% |
| October 2022 | 88,836 | 168,934 | 163,481 | 5,453 | 94,289 | 2,039,266 | 94,289 | 100.00% |
| November 2022 | 745,324 | 73,650 | 65,965 | 7,685 | 753,009 | 2,792,275 | 753,009 | 100.00% |
| December 2022 | 663,935 | 668,570 | 499,430 | 169,140 | 833,075 | 3,625,350 | 708,005 | 84.99% |
| January 2023 | 709,778 | 1,475,076 | 1,198,161 | 276,915 | 986,693 | 4,612,043 | 789,354 | 80.00% |
| February 2023 | 614,741 | 655,366 | 530,887 | 124,479 | 739,220 | 5,351,263 | 591,376 | 80.00% |
| March 2023 | 680,646 | 638,988 | 589,610 | 49,378 | 730,024 | 6,081,287 | 584,019 | 80.00% |
| April 2023 | 176,961 | 82,319 | 78,915 | 3,404 | 180,365 | 6,261,652 | 144,292 | 80.00% |
| May 2023 | 163,432 | 17,250 | 17,250 | 0 | 163,432 | 6,425,084 | 130,746 | 80.00% |
| June 2023 | 169,614 | 751,184 | 695,272 | 55,912 | 225,526 | 6,650,610 | 180,421 | 80.00% |
| July 2023 | 209,032 | 405,429 | 344,258 | 61,171 | 270,203 | 270,203 | 270,203 | 100.00% |
| August 2023 | Est. 112,995 | 143,035 | 0 | 143,035 | 256,030 | 526,233 | 256,030 | 100.00% |
| September 2023 | Est. 109,350 | 97,500 | 0 | 97,500 | 206,850 | 733,083 | 206,850 | 100.00% |
| October 2023 | Est. 105,245 | 54,453 | 0 | 54,453 | 159,698 | 892,781 | 159,698 | 100.00% |
| November 2023 | Est. 123,000 | 101,103 | 0 | 101,103 | 224,103 | 1,116,884 | 224,103 | 100.00% |
| December 2023 | Est. 80,600 | 251,528 | 0 | 251,528 | 332,128 | 1,449,012 | 332,128 | 100.00% |
| January 2024 | Est. 80,600 | 622,829 | 0 | 622,829 | 703,429 | 2,152,441 | 703,429 | 100.00% |
| February 2024 | Est. 75,400 | 499,603 | 0 | 499,603 | 575,003 | 2,727,444 | 575,003 | 100.00% |
| March 2024 | Est. 158,100 | 218,597 | 0 | 218,597 | 376,697 | 3,104,140 | 354,095 | 94.00% |
| April 2024 | Est. 100,050 | 85,366 | 0 | 85,366 | 185,416 | 3,289,556 | 148,333 | 80.00% |
| May 2024 | Est. 111,135 | 87,364 | 0 | 87,364 | 198,499 | 3,488,055 | 158,799 | 80.00% |
| June 2024 | Est. 107,550 | 121,902 | 0 | 121,902 | 229,452 | 3,717,507 | 183,562 | 80.00% |
| July 2024 | Est. 111,135 | 260,789 | 0 | 260,789 | 371,924 | 371,924 | 371,924 | 100.00% |
| August 2024 | Est. 111,135 | 246,348 | 0 | 246,348 | 357,483 | 729,407 | 357,483 | 100.00% |
| September 2024 | Est. 107,550 | 106,621 | 0 | 106,621 | 214,171 | 943,578 | 214,171 | 100.00% |
| October 2024 | Est. 103,385 | 91,584 | 0 | 91,584 | 194,969 | 1,138,547 | 194,969 | 100.00% |

Note: (1) The projected fuel costs associated with Off-System Sales and Cash Outs are presented as net figures in Estimated Total Gas Supply Expense and do not require removal.

SCHEDULE RJC-3

Delmarva Power and Light Company
Comparison of Actual Gas Demand Costs to
Estimated Gas Demand Costs
For Delmarva Firm Gas Operations For the Period
August 2022 Through July 2023

| Description | Demand Expense | | Monthly Variance | Cumulative Variance | Interest Expense (2) | Demand Costs True - Up |
|----------------|-------------------|-------------------|---------------------|------------------------|-------------------------|---------------------------|
| | Actual | Estimated (1) | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| August 2022 | 2,700,608 | 2,657,631 | 42,977 | 42,977 | 129 | 43,106 |
| September 2022 | 2,646,837 | 2,605,510 | 41,327 | 84,304 | 253 | 41,580 |
| October 2022 | 2,745,643 | 2,703,653 | 41,990 | 126,294 | 517 | 42,507 |
| November 2022 | 2,690,596 | 2,721,321 | (30,725) | 95,569 | 391 | (30,334) |
| December 2022 | 2,811,783 | 2,843,755 | (31,972) | 63,597 | 260 | (31,712) |
| January 2023 | 2,799,822 | 2,843,755 | (43,933) | 19,665 | 103 | (43,829) |
| February 2023 | 2,648,385 | 2,682,701 | (34,316) | (14,651) | (77) | (34,393) |
| March 2023 | 2,808,655 | 2,843,755 | (35,100) | (49,751) | (262) | (35,361) |
| April 2023 | 1,882,625 | 2,672,115 | (789,490) | (839,241) | (5,245) | (794,735) (3) |
| May 2023 | 2,638,812 | 2,725,799 | (86,987) | (926,228) | (5,789) | (92,776) |
| June 2023 | 2,614,536 | 2,672,115 | (57,579) | (983,807) | (6,149) | (63,728) |
| July 2023 | 2,661,835 | 2,725,799 | (63,964) | (1,047,771) | (7,003) | (70,966) |
| Total | <u>31,650,137</u> | <u>32,697,908</u> | <u>(1,047,771)</u> | | <u>(22,871)</u> | <u>(1,070,641)</u> |

Notes:

- (1) Estimated Demand Expenses for the period August 2022 through July 2023 are based on projections from the August 2022 GCR filing.
- (2) Interest expense for August 2022 through July 2023 is based on the FERC Refund Interest Rate, as shown on Schedule RJC-6, applied to the cumulative monthly variance.
- (3) April 2023 actual results include two significant upstream pipeline refunds that were not in the forecast.

SCHEDULE RJC-4

Delmarva Power & Light Company
Comparison of Gas Expense and Recovery
For Delaware Firm Gas Operations
For November 2023 Through October 2024
12 Months Estimated

| <u>Billing Month</u> | <u>Firm Sales</u> (Mcf) | <u>Total Fuel Revenue</u> (<u>\$</u>) | <u>Total Gas Cost</u> (<u>\$</u>) | <u>(Over) or Under Recovery Monthly</u> (<u>\$</u>) | <u>Deferred Fuel Balance YTD</u> (<u>\$</u>) | <u>% (Over) or Under Recovery</u> (<u>%</u>) |
|---|----------------------------|--|--|--|---|---|
| Estimated Deferred Fuel Balance on October 31, 2023 | | | | | (9,793,458) | |
| Estimated 2022/2023 GCR Period Interest Expense | | | | | (615,830) | |
| Estimated Deferred Fuel Balance on November 1, 2023 | | | | | (10,409,288) | |
| November 2023 | 1,295,426 | 7,465,409 | 7,135,644 | (329,765) | (10,739,053) | |
| December 2023 | 2,379,696 | 10,249,589 | 11,934,927 | 1,685,338 | (9,053,716) | |
| January 2024 | 2,773,144 | 11,944,210 | 12,575,086 | 630,876 | (8,422,840) | |
| February 2024 | 2,393,290 | 10,308,140 | 9,706,946 | (601,194) | (9,024,034) | |
| March 2024 | 1,809,609 | 7,794,166 | 7,031,315 | (762,851) | (9,786,885) | |
| April 2024 | 960,544 | 4,137,156 | 3,935,929 | (201,227) | (9,988,112) | |
| May 2024 | 449,697 | 1,936,892 | 2,563,050 | 626,158 | (9,361,954) | |
| June 2024 | 212,321 | 914,487 | 2,252,825 | 1,338,338 | (8,023,615) | |
| July 2024 | 161,825 | 696,994 | 2,283,770 | 1,586,776 | (6,436,839) | |
| August 2024 | 179,168 | 771,694 | 2,774,772 | 2,003,078 | (4,433,762) | |
| September 2024 | 296,545 | 1,277,249 | 3,511,350 | 2,234,101 | (2,199,661) | |
| October 2024 | 694,042 | 2,989,308 | 5,188,250 | 2,198,942 | (719) | 0.0% |
| Total | <u>13,605,306</u> | <u>60,485,294</u> | <u>70,893,863</u> | <u>10,408,569</u> | | |

Notes:

- (1) November 2023 through October 2024 Fuel Revenue is based on a GCR of \$4.3071 /Mcf.
(2) Estimated Gas Cost Expenses and WACCOGs are based on August 4, 2023 NYMEX closing prices.

Delmarva Power & Light Company
Development of Annual Commodity and Demand Expenses
For November 2023 Through October 2024
12 Months Estimated

| Description | 2023 | | 2024 | | | | | | | | | | Total |
|---|------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| | November | December | January | February | March | April | May | June | July | August | September | October | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Total Gas Supply Expense (1) | 7,665,978 | 12,637,000 | 13,681,302 | 10,734,379 | 7,771,302 | 4,470,514 | 3,053,171 | 2,696,795 | 2,895,866 | 3,368,038 | 3,972,383 | 5,633,954 | 78,580,681 |
| Total Gas Commodity Expense | 4,978,139 | 9,834,034 | 10,878,337 | 8,037,667 | 4,968,337 | 1,833,559 | 363,089 | 59,840 | 205,784 | 677,956 | 1,335,427 | 2,892,988 | 46,065,159 |
| <u>Commodity Credits:</u> | | | | | | | | | | | | | |
| FPS Gas - Fuel Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Off System Sales - Fuel Cost (1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Outs (1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Company Use Gas | (721) | (3,139) | (4,299) | (3,766) | (4,024) | (5,031) | (19,288) | (1,960) | 1,662 | (1,309) | (251) | (500) | (42,626) |
| Total Commodity Fuel Credits | (721) | (3,139) | (4,299) | (3,766) | (4,024) | (5,031) | (19,288) | (1,960) | 1,662 | (1,309) | (251) | (500) | (42,626) |
| Total Gas Commodity Expense | <u>4,977,418</u> | <u>9,830,895</u> | <u>10,874,038</u> | <u>8,033,901</u> | <u>4,964,313</u> | <u>1,828,528</u> | <u>343,801</u> | <u>57,880</u> | <u>207,446</u> | <u>676,647</u> | <u>1,335,176</u> | <u>2,892,488</u> | <u>46,022,533</u> |
| Total Gas Demand Expense | 2,687,838 | 2,802,965 | 2,802,965 | 2,696,711 | 2,802,965 | 2,636,955 | 2,690,082 | 2,636,955 | 2,690,082 | 2,690,082 | 2,636,955 | 2,740,965 | 32,515,522 |
| <u>Demand Credits (% Varies)</u> | | | | | | | | | | | | | |
| Off-System Sales & Swaps | (101,103) | (251,528) | (622,829) | (499,603) | (205,481) | (68,293) | (69,891) | (97,522) | (260,789) | (246,348) | (106,621) | (91,584) | (2,621,592) |
| Capacity Release | (123,000) | (80,600) | (80,600) | (75,400) | (148,614) | (80,040) | (88,908) | (86,040) | (111,135) | (111,135) | (107,550) | (103,385) | (1,196,407) |
| FPS Margins | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interruptible Gas Transportation | (68,866) | (82,606) | (88,533) | (79,973) | (76,582) | (62,250) | (51,394) | (45,785) | (44,793) | (46,300) | (46,507) | (54,001) | (747,590) |
| Subtotal | (292,969) | (414,734) | (791,962) | (654,976) | (430,677) | (210,583) | (210,193) | (229,347) | (416,717) | (403,783) | (260,678) | (248,970) | (4,565,589) |
| <u>Demand Credits @ 100%</u> | | | | | | | | | | | | | |
| Transition Charges | (4,466) | (4,466) | (4,466) | (4,466) | (4,466) | (4,466) | 0 | 0 | 0 | 0 | 0 | 0 | (26,796) |
| Pressure Support Fees | (141,973) | (201,115) | (212,590) | (261,736) | (218,435) | (207,117) | (177,513) | (147,463) | (138,582) | (138,664) | (143,917) | (141,749) | (2,130,854) |
| Balancing Charges | (90,205) | (78,619) | (92,899) | (102,489) | (82,385) | (107,388) | (83,127) | (65,200) | (58,459) | (49,510) | (56,187) | (54,485) | (920,953) |
| Unauthorized Overrun | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subtotal | (236,644) | (284,200) | (309,955) | (368,691) | (305,286) | (318,971) | (260,640) | (212,663) | (197,041) | (188,174) | (200,104) | (196,234) | (3,078,603) |
| Total Demand Credits | (529,613) | (698,934) | (1,101,917) | (1,023,667) | (735,963) | (529,554) | (470,833) | (442,010) | (613,758) | (591,957) | (460,782) | (445,204) | (7,644,192) |
| Total Firm Demand Expenses | <u>2,158,225</u> | <u>2,104,031</u> | <u>1,701,048</u> | <u>1,673,044</u> | <u>2,067,002</u> | <u>2,107,401</u> | <u>2,219,249</u> | <u>2,194,945</u> | <u>2,076,324</u> | <u>2,098,125</u> | <u>2,176,173</u> | <u>2,295,761</u> | <u>24,871,330</u> |
| Total Firm Gas Expenses | <u>7,135,644</u> | <u>11,934,927</u> | <u>12,575,086</u> | <u>9,706,946</u> | <u>7,031,315</u> | <u>3,935,929</u> | <u>2,563,050</u> | <u>2,252,825</u> | <u>2,283,770</u> | <u>2,774,772</u> | <u>3,511,350</u> | <u>5,188,250</u> | <u>70,893,863</u> |

Note: (1) The projected fuel costs associated with Off-System Sales and Cash Outs are presented as net figures in Estimated Total Gas Supply Expense and do not require removal.

SCHEDULE RJC-5

Delmarva Power & Light Company
Comparison of Gas Expense and Recovery
For Delaware Firm Gas Operations
For November 2022 Through October 2023
9 Months Actual, 3 Months Updated Estimates

| Billing Month | Firm Sales Mcf | Total Fuel Revenue (\$) | Total Gas Cost (\$) | (Over) or Under Recovery Monthly (\$) | Deferred Fuel Balance YTD (\$) | % (Over) or Under Recovery (%) |
|--|-------------------|----------------------------|------------------------|---|--------------------------------------|-----------------------------------|
| Deferred Fuel Balance on October 31, 2022 | | | | | 4,476,102 | |
| 2021/2022 GCR Period Interest Expense | | | | | 68,987 | |
| Adjusted Deferred Fuel Balance on November 1, 2022 | | | | | 4,545,089 | |
| November 2022 | 780,924 | 6,141,388 | 9,424,846 | 3,283,458 | 7,828,547 | |
| December 2022 | 1,777,780 | 16,684,423 | 17,041,384 | 356,961 | 8,185,508 | |
| January 2023 | 2,202,287 | 20,673,510 | 13,502,322 | (7,171,188) | 1,014,320 | |
| February 2023 | 1,971,762 | 18,475,272 | 12,151,689 | (6,323,583) | (5,309,263) | |
| March 2023 | 1,726,810 | 16,199,472 | 11,274,874 | (4,924,598) | (10,233,861) | |
| April 2023 | 1,090,685 | 9,230,537 | 4,569,959 | (4,660,578) | (14,894,439) | |
| May 2023 | 575,000 | 4,174,500 | 3,933,624 | (240,876) | (15,135,315) | |
| June 2023 | 342,307 | 2,462,965 | 3,366,647 | 903,682 | (14,231,633) | |
| July 2023 | 261,638 | 1,885,729 | 3,205,696 | 1,319,967 | (12,911,666) | |
| August 2023 | 195,881 | 1,414,006 | 2,832,156 | 1,418,150 | (11,493,516) | |
| September 2023 | 261,318 | 1,886,377 | 3,291,213 | 1,404,836 | (10,088,680) | |
| October 2023 | 548,130 | 3,956,787 | 4,252,009 | 295,222 | (9,793,458) | |
| Total | 11,734,522 | 103,184,966 | 88,846,420 | (14,338,547) | | -11.0% |

Notes:

- (1) November 1, 2022 through March 31, 2023 Fuel Revenue is based on GCR of \$9.3845 per Mcf as approved by Order No. 10221, in Docket No. 22-0726 filed August 29, 2022.
- (2) April 1, 2023 through October 31, 2023 revenue based on \$7.2187 per MCF, also per order No. 10221.

Delmarva Power & Light Company
Development of Annual Commodity and Demand Expenses
For November 2022 Through October 2023
9 Months Actual, 3 Months Updated Estimates

| Description | 2022 | | 2023 | | | | | | | | | | Total |
|---|--------------------|--------------------|--------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| | November | December | January | February | March | April | May | June | July | August | September | October | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Total Gas Supply Expense (1) | 10,524,342 | 18,613,198 | 15,859,978 | 13,669,114 | 12,769,521 | 5,131,334 | 4,413,115 | 4,439,017 | 4,093,163 | 3,341,047 | 3,738,077 | 4,661,095 | 101,253,001 |
| Total Gas Commodity Expense | 7,833,746 | 15,801,415 | 13,060,156 | 11,020,729 | 9,960,866 | 3,248,709 | 1,774,303 | 1,824,481 | 1,431,328 | 615,248 | 1,065,962 | 1,886,090 | 69,523,033 |
| <u>Commodity Credits</u> | | | | | | | | | | | | | |
| FPS Gas - Fuel Costs | 0 | 0 | (239) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (239) |
| Off System Sales - Fuel Cost (1) | (65,965) | (499,430) | (1,198,161) | (530,887) | (589,610) | (78,915) | (17,250) | (695,272) | (344,258) | 0 | 0 | 0 | (4,019,748) |
| Cash Outs (1) | 0 | 0 | (102) | (7,011) | (5,143) | 0 | (995) | (760) | (606) | 0 | 0 | 0 | (14,617) |
| Company Use Gas | (1,450) | (7,824) | (10,075) | (9,000) | (10,406) | (13,907) | (45,996) | (4,166) | (4,943) | (1,996) | (1,667) | (1,462) | (112,892) |
| Total Fuel Credits | (67,415) | (507,254) | (1,208,577) | (546,898) | (605,159) | (92,822) | (64,241) | (700,198) | (349,807) | (1,996) | (1,667) | (1,462) | (4,147,496) |
| Total Gas Commodity Expense | <u>7,766,331</u> | <u>15,294,161</u> | <u>11,851,579</u> | <u>10,473,831</u> | <u>9,355,707</u> | <u>3,155,887</u> | <u>1,710,062</u> | <u>1,124,283</u> | <u>1,081,521</u> | <u>613,252</u> | <u>1,064,295</u> | <u>1,884,628</u> | <u>65,375,537</u> |
| Total Gas Demand Expense | 2,690,596 | 2,811,783 | 2,799,822 | 2,648,385 | 2,808,655 | 1,882,625 | 2,638,812 | 2,614,536 | 2,661,835 | 2,725,799 | 2,672,115 | 2,775,005 | 31,729,968 |
| <u>Demand Credits (% Varies)</u> | | | | | | | | | | | | | |
| Off-System Sales & Swaps | (7,685) | (143,747) | (221,532) | (99,583) | (39,502) | (2,723) | 0 | (44,730) | (61,171) | (143,035) | (97,500) | (54,453) | (915,661) |
| Capacity Release | (745,324) | (564,258) | (567,822) | (491,793) | (544,517) | (141,569) | (130,746) | (135,691) | (209,032) | (112,995) | (109,350) | (105,245) | (3,858,342) |
| FPS Margins | 0 | 0 | (81) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (81) |
| Interruptible Gas Transportation | (50,710) | (59,565) | (48,272) | (37,834) | (32,776) | (45,424) | (56,882) | (64,792) | (53,892) | (43,554) | (39,296) | (45,951) | (578,948) |
| Subtotal | (803,719) | (767,570) | (837,707) | (629,210) | (616,795) | (189,716) | (187,628) | (245,213) | (324,095) | (299,584) | (246,146) | (205,649) | (5,353,032) |
| <u>Demand Credits @ 100 %</u> | | | | | | | | | | | | | |
| Transition Charges | 0 | 0 | 0 | 0 | 0 | (4,466) | 10,692 | 87,905 | (4,466) | 0 | 0 | 0 | 89,665 |
| Pressure Support Fees | (166,286) | (187,641) | (226,851) | (211,205) | (194,738) | (198,171) | (154,652) | (148,615) | (131,185) | (137,317) | (141,687) | (136,386) | (2,034,734) |
| Balancing Charges | (59,276) | (109,349) | (83,120) | (128,362) | (59,428) | (76,200) | (82,012) | (66,249) | (77,514) | (69,994) | (57,364) | (65,589) | (934,457) |
| Unauthorized Overrun | (2,800) | 0 | (1,400) | (1,750) | (18,527) | 0 | (1,650) | 0 | (400) | 0 | 0 | 0 | (26,527) |
| Total Demand Credits | <u>(1,032,081)</u> | <u>(1,064,560)</u> | <u>(1,149,078)</u> | <u>(970,527)</u> | <u>(889,488)</u> | <u>(468,553)</u> | <u>(415,250)</u> | <u>(372,172)</u> | <u>(537,660)</u> | <u>(506,895)</u> | <u>(445,197)</u> | <u>(407,624)</u> | <u>(8,259,085)</u> |
| Total Firm Demand Expenses | <u>1,658,515</u> | <u>1,747,223</u> | <u>1,650,744</u> | <u>1,677,858</u> | <u>1,919,167</u> | <u>1,414,072</u> | <u>2,223,562</u> | <u>2,242,364</u> | <u>2,124,175</u> | <u>2,218,904</u> | <u>2,226,918</u> | <u>2,367,381</u> | <u>23,470,883</u> |
| Total Firm Gas Expenses | <u>9,424,846</u> | <u>17,041,384</u> | <u>13,502,322</u> | <u>12,151,689</u> | <u>11,274,874</u> | <u>4,569,959</u> | <u>3,933,624</u> | <u>3,366,647</u> | <u>3,205,696</u> | <u>2,832,156</u> | <u>3,291,213</u> | <u>4,252,009</u> | <u>88,846,420</u> |

Note: (1) The projected fuel costs associated with Off-System Sales and Cash Outs are presented as net figures in Estimated Total Gas Supply Expense and do not require removal.

Delmarva Power & Light Company
Comparison of Gas Expense and Recovery
For Delaware Firm Gas Operations
For November 2021 Through October 2022
12 Months Actual

| <u>Billing Month</u> | <u>Firm Sales</u> (Mcf) | <u>Total Fuel Revenue</u> ($\text{\$}$) | <u>Total Gas Cost</u> ($\text{\$}$) | <u>(Over) or Under Recovery Monthly</u> ($\text{\$}$) | <u>Deferred Fuel Balance YTD</u> ($\text{\$}$) | <u>% (Over) or Under Recovery</u> (%) |
|---|----------------------------|--|--|--|---|--|
| Deferred Fuel Balance on October 31, 2021 | | | | | 144,542 | |
| 2020/2021 GCR Period Interest Expense and Adjustments | | | | | <u>(165,030)</u> | |
| Deferred Fuel Balance on November 1, 2021 | | | | | (20,488) | |
| November 2021 | 763,514 | 3,756,985 | 8,577,072 | 4,820,087 | 4,799,599 | |
| December 2021 | 1,639,562 | 8,595,965 | 8,734,738 | 138,773 | 4,938,372 | |
| January 2022 | 2,349,621 | 12,326,598 | 13,664,100 | 1,337,502 | 6,275,874 | |
| February 2022 | 2,406,975 | 12,626,579 | 10,088,141 | (2,538,438) | 3,737,436 | |
| March 2022 | 1,949,061 | 10,223,376 | 8,405,725 | (1,817,651) | 1,919,785 | |
| April 2022 | 1,249,337 | 7,154,206 | 4,808,892 | (2,345,314) | (425,529) | |
| May 2022 | 724,530 | 4,577,152 | 3,917,151 | (660,001) | (1,085,530) | |
| June 2022 | 358,148 | 2,268,888 | 2,166,736 | (102,152) | (1,187,682) | |
| July 2022 | 258,725 | 1,629,532 | 2,671,158 | 1,041,626 | (146,056) | |
| August 2022 | 251,474 | 1,593,476 | 2,567,890 | 974,414 | 828,358 | |
| September 2022 | 255,803 | 1,623,888 | 2,656,855 | 1,032,967 | 1,861,325 | |
| October 2022 | <u>458,936</u> | <u>2,906,545</u> | <u>5,521,322</u> | <u>2,614,777</u> | <u>4,476,102</u> | 6.1% |
| Total | <u>12,665,686</u> | <u>69,283,190</u> | <u>73,779,780</u> | <u>4,496,590</u> | | |

Notes:

- (1) November 1, 2021 through March 31, 2022 Fuel Revenue is based on GCR of \$5.2460 per Mcf as approved by Order No. 10105, in Docket No. 21-0672 filed August 26, 2021.
- (2) April 1, 2022 through October 31, 2022 revenue based on \$6.3345 per MCF, also per order No. 10105.

Delmarva Power & Light Company
Development of Annual Commodity and Demand Expenses
For November 2021 Through October 2022
12 Months Actual

| Description | 2021 | | 2022 | | | | | | | | | | Total |
|---|-----------|-----------|------------|------------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-----------|--------------|
| | November | December | January | February | March | April | May | June | July | August | September | October | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Total Gas Supply Expense | 9,639,554 | 9,639,218 | 15,056,357 | 11,894,722 | 9,734,512 | 5,345,758 | 5,413,044 | 6,326,984 | 9,168,976 | 8,598,429 | 6,385,624 | 6,029,983 | 103,233,161 |
| Total Gas Commodity Expense | 6,981,858 | 6,988,668 | 12,378,319 | 9,379,903 | 6,899,432 | 4,116,855 | 2,667,752 | 3,686,181 | 6,469,904 | 5,897,821 | 3,738,787 | 3,284,340 | 72,489,820 |
| <u>Commodity Credits</u> | | | | | | | | | | | | | |
| FPS Gas - Fuel Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Off System Sales - Fuel Cost | (324,866) | (274,773) | (432,134) | (952,883) | (756,070) | (121,108) | (1,068,421) | (3,121,261) | (5,159,175) | (5,178,223) | (3,246,451) | (163,481) | (20,798,846) |
| Cash Out Sales | (519) | (10,798) | (2,858) | (1,578) | (371) | (6,187) | (521) | 0 | (18) | 0 | 0 | (2,317) | (25,167) |
| Company Use Gas | (1,312) | (4,253) | (5,270) | (5,192) | (6,614) | (8,841) | (8,557) | (7,282) | 2,595 | (2,330) | (448) | (874) | (48,378) |
| Total Commodity Fuel Credits | (326,697) | (289,824) | (440,262) | (959,653) | (763,055) | (136,136) | (1,077,499) | (3,128,543) | (5,156,598) | (5,180,553) | (3,246,899) | (166,672) | (20,872,391) |
| Total Firm Commodity Cost of Gas | 6,655,161 | 6,698,844 | 11,938,057 | 8,420,250 | 6,136,377 | 3,980,719 | 1,590,253 | 557,638 | 1,313,306 | 717,268 | 491,888 | 3,117,668 | 51,617,429 |
| Total Gas Demand Expense | 2,657,696 | 2,650,550 | 2,678,038 | 2,514,819 | 2,835,080 | 1,228,903 | 2,745,292 | 2,640,803 | 2,699,072 | 2,700,608 | 2,646,837 | 2,745,643 | 30,743,341 |
| <u>Demand Credits (% Varies)</u> | | | | | | | | | | | | | |
| Off-System Sales & Swaps | (212,523) | (55,180) | (360,441) | (245,271) | (20,416) | (1,845) | (42,848) | (709,012) | (1,019,722) | (516,660) | (150,255) | (5,453) | (3,339,626) |
| Capacity Release | (241,293) | (229,020) | (238,785) | (204,522) | (235,470) | (56,574) | (62,425) | (59,407) | (73,329) | (99,551) | (85,460) | (88,836) | (1,674,672) |
| FPS Margins | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interruptible Gas Transportation | (64,404) | (66,866) | (65,388) | (33,777) | (37,821) | (46,496) | (66,764) | (61,455) | (59,828) | (54,600) | (58,988) | (58,446) | (674,833) |
| Subtotal | (518,220) | (351,066) | (664,614) | (483,570) | (293,707) | (104,915) | (172,037) | (829,874) | (1,152,879) | (670,811) | (294,703) | (152,735) | (5,689,131) |
| <u>Demand Credits @ 100%</u> | | | | | | | | | | | | | |
| Transition Charges | (531) | (531) | (166) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,228) |
| Pressure Support Fees | (150,461) | (211,031) | (222,355) | (271,455) | (225,881) | (221,261) | (189,635) | (157,533) | (148,046) | (148,133) | (153,745) | (151,429) | (2,250,965) |
| Balancing Charges | (66,573) | (51,328) | (64,810) | (70,503) | (56,644) | (72,854) | (55,022) | (44,298) | (40,295) | (31,042) | (32,872) | (37,225) | (623,466) |
| Unauthorized Overrun | 0 | (700) | (50) | (21,400) | 10,500 | (1,700) | (1,700) | 0 | 0 | 0 | (550) | (600) | (16,200) |
| Subtotal | (217,565) | (263,590) | (287,381) | (363,358) | (272,025) | (295,815) | (246,357) | (201,831) | (188,341) | (179,175) | (187,167) | (189,254) | (2,891,859) |
| Total Demand Credits | (735,785) | (614,656) | (951,995) | (846,928) | (565,732) | (400,730) | (418,394) | (1,031,705) | (1,341,220) | (849,986) | (481,870) | (341,989) | (8,580,990) |
| Total Firm Demand Expenses | 1,921,911 | 2,035,894 | 1,726,043 | 1,667,891 | 2,269,348 | 828,173 | 2,326,898 | 1,609,098 | 1,357,852 | 1,850,622 | 2,164,967 | 2,403,654 | 22,162,351 |
| Total Firm Gas Expenses | 8,577,072 | 8,734,738 | 13,664,100 | 10,088,141 | 8,405,725 | 4,808,892 | 3,917,151 | 2,166,736 | 2,671,158 | 2,567,890 | 2,656,855 | 5,521,322 | 73,779,780 |

SCHEDULE RJC-6

Delmarva Power & Light Company
Interest Calculation
For November 2022 Through October 2023
9 Months Actual, 3 Months Updated Estimates

| Month | Beginning Balance (\$) | Ending Balance (\$) | Average Balance (\$) | Average Balance Within Band (\$) | Interest (1) (2) (\$) | Interest (1) (2) | | Total Interest (\$) |
|---|------------------------------|---------------------------|----------------------------|---|--------------------------|---------------------------|------------------|---------------------------|
| | | | | | | Excess Balance (\$) | Interest (\$) | |
| November 2022 | 4,545,089 | 7,828,547 | 6,186,818 | 6,186,818 | 25,314 | 0 | 0 | 25,314 |
| December 2022 | 7,828,547 | 8,185,508 | 8,007,029 | 8,007,029 | 32,762 | 0 | 0 | 32,762 |
| January 2023 | 8,185,508 | 1,014,320 | 4,599,914 | 4,599,914 | 24,188 | 0 | 0 | 24,188 |
| February 2023 | 1,014,320 | (5,309,263) | (2,147,472) | (2,147,472) | (11,292) | 0 | 0 | (11,292) |
| March 2023 | (5,309,263) | (10,233,861) | (7,771,562) | (3,998,089) | (21,023) | (3,773,473) | (26,131) | (47,154) |
| April 2023 | (10,233,861) | (14,894,439) | (12,564,150) | (3,998,089) | (24,988) | (8,566,061) | (67,815) | (92,803) |
| May 2023 | (14,894,439) | (15,135,317) | (15,014,878) | (3,998,089) | (24,988) | (11,016,789) | (87,216) | (112,204) |
| June 2023 | (15,135,317) | (14,231,633) | (14,683,474) | (3,998,089) | (24,988) | (10,685,385) | (84,593) | (109,581) |
| July 2023 | (14,231,633) | (12,911,666) | (13,571,649) | (3,998,089) | (26,721) | (9,573,560) | (79,939) | (106,660) |
| August 2023 | (12,911,666) | (11,493,516) | (12,202,591) | (3,998,089) | (26,721) | (8,204,502) | (68,508) | (95,229) |
| September 2023 | (11,493,516) | (10,088,680) | (10,791,098) | (3,998,089) | (26,721) | (6,793,009) | (56,722) | (83,443) |
| October 2023 | (10,088,680) | (9,793,458) | (9,941,069) | (3,998,089) | (11,994) | (5,942,980) | (27,734) | (39,728) |
| | | | | | | | | <u>(615,830)</u> |
| Total Interest From November 2022 to October 2023 | | | | | | | | <u>(615,830)</u> |

Notes:

(1) Average deferred fuel balance interest band is 4 - 1/2% of \$88,846,420 or \$3,998,089 .

(2) Effective March 1, 1999, the interest rate on both over- and under-recoveries is the FERC Natural Gas Interest Factor, which is as follows:

| | |
|-------------------------------------|-------|
| November 2022 through December 2022 | 4.91% |
| January 2023 through March 2023 | 6.31% |
| April 2023 through June 2023 | 7.50% |
| July 2023 through September 2023 | 8.02% |
| October 2023 | 3.60% |

SCHEDULE RJC-7

Delmarva Power & Light Company

Firm Sales

| <u>Description</u> | Twelve Months Estimated November 2023 Through October 2024 (Mcf) | 9 Months Actual 3 Months Estimated November 2022 Through October 2023 (Mcf) | Twelve Months Actual November 2021 Through October 2022 (Mcf) |
|--------------------|---|--|--|
| November | 1,295,426 | 780,924 | 763,514 |
| December | 2,379,696 | 1,777,780 | 1,639,562 |
| January | 2,773,144 | 2,202,287 | 2,349,621 |
| February | 2,393,290 | 1,971,762 | 2,406,975 |
| March | 1,809,609 | 1,726,810 | 1,949,061 |
| April | 960,544 | 1,090,685 | 1,249,337 |
| May | 449,697 | 575,000 | 724,530 |
| June | 212,321 | 342,307 | 358,148 |
| July | 161,825 | 261,638 | 258,725 |
| August | 179,168 | 195,881 | 251,474 |
| September | 296,545 | 261,318 | 255,803 |
| October | 694,042 | 548,130 | 458,936 |
| Total | <u>13,605,306</u> | <u>11,734,522</u> | <u>12,665,686</u> |

SCHEDULE RJC-8

Delmarva Power & Light Company

Gas Costs

| Description | Twelve Months Estimated November 2023 Through <u>October 2024</u> (\$) | 9 Months Actual 3 Months Estimated November 2022 Through <u>October 2023</u> (\$) | Twelve Months Actual November 2021 Through <u>October 2022</u> (\$) |
|----------------------------------|---|--|--|
| Total Gas Supply Expenses (1) | 78,580,681 | 101,253,001 | 103,233,161 |
| <u>Expense Credits</u> | | | |
| FPS Gas - Fuel Costs | 0 | (239) | 0 |
| Off System Sales - Fuel Cost (1) | 0 | (4,019,748) | (20,798,846) |
| Cash Outs (1) | 0 | (14,617) | (25,167) |
| Company Use Gas | (42,626) | (112,892) | (48,378) |
| Off System Sales / Swaps | (2,621,592) | (915,661) | (3,339,626) |
| Capacity Release | (1,196,407) | (3,858,342) | (1,674,672) |
| FPS Margins | 0 | (81) | 0 |
| Interruptible Gas Transportation | (747,590) | (578,948) | (674,833) |
| Transition Charges | (26,796) | 89,665 | (1,228) |
| Pressure Support Fees | (2,130,854) | (2,034,734) | (2,250,965) |
| Balancing Charges | (920,953) | (934,457) | (623,466) |
| Unauthorized Overrun | 0 | (26,527) | (16,200) |
| Total | <u>70,893,863</u> | <u>88,846,420</u> | <u>73,779,780</u> |

Notes:

- (1) The projected fuel costs associated with Off-System Sales and Cash Outs are presented as net figures in Estimated Total Gas Supply Expense and do not require removal.

SCHEDULE RJC-9

Delmarva Power & Light Company
Comparison of Gas Expense and Recovery
For Delaware Firm Gas Operations
For August 2022 Through July 2023
12 Months Actual

| <u>Billing Month</u> | <u>Firm Sales</u> Mcf | <u>Total</u> <u>Fuel</u> <u>Revenue</u> (\$) | <u>Total</u> <u>Gas Cost</u> (\$) | <u>(Over) or</u> <u>Under</u> <u>Recovery</u> <u>Monthly</u> (\$) | <u>Deferred</u> <u>Fuel</u> <u>Balance</u> <u>YTD</u> (\$) |
|---|--------------------------|---|---|---|--|
| Deferred Fuel Balance on July 31, 2022 | | | | | (146,056) |
| August 2022 | 251,474 | 1,593,476 | 2,567,890 | 974,414 | 828,358 |
| September 2022 | 255,803 | 1,623,888 | 2,656,855 | 1,032,967 | 1,861,325 |
| October 2022 | 458,936 | 2,906,545 | 5,521,322 | 2,614,777 | 4,476,102 |
| Interest Expense (November 2021 through October 2022) | | | | | 68,987 |
| Adjusted Balance | | | | | 4,545,089 |
| November 2022 | 780,924 | 6,141,388 | 9,424,846 | 3,283,458 | 7,828,547 |
| December 2022 | 1,777,780 | 16,684,423 | 17,041,384 | 356,961 | 8,185,508 |
| January 2023 | 2,202,287 | 20,673,510 | 13,502,403 | (7,171,107) | 1,014,401 |
| February 2023 | 1,971,762 | 18,475,272 | 12,151,689 | (6,323,583) | (5,309,182) |
| March 2023 | 1,726,810 | 16,199,472 | 11,274,874 | (4,924,598) | (10,233,780) |
| April 2023 | 1,090,685 | 9,230,537 | 4,569,959 | (4,660,578) | (14,894,358) |
| May 2023 | 575,000 | 4,174,500 | 3,933,624 | (240,876) | (15,135,233) |
| June 2023 | 342,307 | 2,462,965 | 3,366,647 | 903,682 | (14,231,551) |
| July 2023 | 261,638 | 1,885,729 | 3,205,696 | 1,319,967 | (12,911,584) |
| Total | <u>11,695,406</u> | <u>102,051,705</u> | <u>89,217,190</u> | <u>(12,834,515)</u> | |

Notes:

- (1) August 2022 through October 2022 Fuel Revenue is based on GCR of 6.3345 per Mcf as approved by Order No. 10105 in Docket No. 21-0672 dated October 16, 2022.
- (2) November 2022 through March 2023 Fuel Revenue is based on GCR of \$9.3845 per Mcf as approved by Order No. 10221, in Docket No. 22-0726 filed August 29, 2022.
- (3) April 2023 through July 2023 revenue based on \$7.2187 per MCF, also per order No. 10221.

Delmarva Power & Light Company
Development of Annual Commodity and Demand Expenses
For August 2022 Through July 2023
12 Months Actual

| Description | 2022 | | | | | 2023 | | | | | | | Total |
|----------------------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|-------------------|-------------------|------------------|------------------|------------------|--------------------|
| | August | September | October | November | December | January | February | March | April | May | June | July | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Total Gas Supply Expense | 8,598,429 | 6,385,624 | 6,029,983 | 10,524,342 | 18,613,198 | 15,859,978 | 13,669,114 | 12,769,521 | 5,131,334 | 4,413,115 | 4,439,017 | 4,093,163 | 110,526,818 |
| Total Gas Commodity Expense | 5,897,821 | 3,738,787 | 3,284,340 | 7,833,746 | 15,801,415 | 13,060,156 | 11,020,729 | 9,960,866 | 3,248,709 | 1,774,303 | 1,824,481 | 1,431,328 | 78,876,681 |
| Fuel Credits: | | | | | | | | | | | | | |
| Off System Sales - Fuel Cost | (5,178,223) | (3,246,451) | (163,481) | (65,965) | (499,430) | (1,198,161) | (530,887) | (589,610) | (78,915) | (17,250) | (695,272) | (344,258) | (12,607,903) |
| Cash Outs | 0 | 0 | (2,317) | 0 | 0 | (102) | (7,011) | (5,143) | 0 | (995) | (760) | (606) | (16,934) |
| Company Use Gas | (2,330) | (448) | (874) | (1,450) | (7,824) | (10,075) | (9,000) | (10,406) | (13,907) | (45,996) | (4,166) | (4,943) | (111,419) |
| Total Fuel Credits | (5,180,553) | (3,246,899) | (166,672) | (67,415) | (507,254) | (1,208,577) | (546,898) | (605,159) | (92,822) | (64,241) | (700,198) | (349,807) | (12,736,495) |
| Total Gas Commodity Expense | <u>717,268</u> | <u>491,888</u> | <u>3,117,668</u> | <u>7,766,331</u> | <u>15,294,161</u> | <u>11,851,579</u> | <u>10,473,831</u> | <u>9,355,707</u> | <u>3,155,887</u> | <u>1,710,062</u> | <u>1,124,283</u> | <u>1,081,521</u> | <u>66,140,186</u> |
| Total Gas Demand Expense | 2,700,608 | 2,646,837 | 0 | 2,745,643 | 2,690,596 | 2,811,783 | 2,799,822 | 2,648,385 | 2,808,655 | 1,882,625 | 2,638,812 | 2,614,536 | 31,650,137 |
| Demand Credits @ 80% | | | | | | | | | | | | | |
| Off-System Sales & Swaps | (516,660) | (150,255) | 0 | (5,453) | (7,685) | (143,747) | (221,532) | (99,583) | (39,502) | (2,723) | 0 | (44,730) | (1,293,041) |
| Capacity Release | (99,551) | (85,460) | 0 | (88,836) | (745,324) | (564,258) | (567,822) | (491,793) | (544,517) | (141,569) | (130,746) | (135,691) | (3,804,599) |
| Interruptible Gas Transportation | (54,600) | (58,988) | 0 | (58,446) | (50,710) | (59,565) | (48,272) | (37,834) | (32,776) | (45,424) | (56,882) | (64,792) | (622,181) |
| Subtotal | (670,811) | (294,703) | | (152,735) | (803,719) | (767,570) | (837,626) | (629,210) | (616,795) | (189,716) | (187,628) | (245,213) | (5,719,821) |
| Demand Credits @ 100 % | | | | | | | | | | | | | |
| Transition Charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (4,466) | 10,692 | 87,905 | (4,466) | 89,665 |
| Pressure Support Fees | (148,133) | (153,745) | | (151,429) | (166,286) | (187,641) | (226,851) | (211,205) | (194,738) | (198,171) | (154,652) | (148,615) | (2,072,651) |
| Balancing Charges | (31,042) | (32,872) | 0 | (37,225) | (59,276) | (109,349) | (83,120) | (128,362) | (59,428) | (76,200) | (82,012) | (66,249) | (842,649) |
| Unau horized Overrun | 0 | (550) | 0 | (600) | (2,800) | 0 | (1,400) | (1,750) | (18,527) | 0 | (1,650) | 0 | (27,677) |
| Total Demand Credits | <u>(849,986)</u> | <u>(481,870)</u> | | <u>(341,989)</u> | <u>(1,032,081)</u> | <u>(1,064,560)</u> | <u>(1,148,997)</u> | <u>(970,527)</u> | <u>(889,488)</u> | <u>(468,553)</u> | <u>(415,250)</u> | <u>(372,172)</u> | <u>(8,573,133)</u> |
| Total Firm Demand Expenses | <u>1,850,622</u> | <u>2,164,967</u> | | <u>2,403,654</u> | <u>1,658,515</u> | <u>1,747,223</u> | <u>1,650,825</u> | <u>1,677,858</u> | <u>1,919,167</u> | <u>1,414,072</u> | <u>2,223,562</u> | <u>2,242,364</u> | <u>23,077,004</u> |
| Total Firm Gas Expenses | <u>2,567,890</u> | <u>2,656,855</u> | | <u>5,521,322</u> | <u>9,424,846</u> | <u>17,041,384</u> | <u>13,502,403</u> | <u>12,151,689</u> | <u>11,274,874</u> | <u>4,569,959</u> | <u>3,933,624</u> | <u>3,366,647</u> | <u>89,217,193</u> |

SCHEDULE RJC-10

Delmarva Power & Light Company
Derivation of Transportation Pressure Support Fee
Proposed to be Effective November 2023

Services Required For Pressure Support & System Reliability

**2023/2024
Projected
Annual Cost**

| | |
|--|---------------------|
| Eastern Shore T-1 | \$ 84,636 |
| Eastern Shore FT | \$ 4,387,200 |
| Eastern Shore 2017 Expansion | \$ 1,392,060 |
| Estimated Upstream Costs of Pressure Support | <u>\$ 5,863,896</u> |

2021/2022 System Throughput (MCF)

| | | |
|---------------------|-------------------|----------------|
| GCR Customers * | 12,665,686 | 63.74% |
| LVG-QFCP-RC | 1,444,331 | 7.27% |
| Firm Transportation | 5,759,364 | 28.99% |
| Total Requirements | <u>19,869,381</u> | <u>100.00%</u> |

| | |
|-----------------------|-------------|
| PSF Allocation Factor | 36% |
| GCR Allocation Factor | 64% |
| Total | <u>100%</u> |

Allocation of Pressure Support Costs

| | |
|---|---------------------|
| Firm Transportation and LVG-QFCP-RC (PSF) Customers | \$ 2,126,249 |
| Gas Cost Rate Customers | \$ 3,737,647 |
| Total | <u>\$ 5,863,896</u> |

| | |
|---|---------------|
| Firm Transportation and LVG-QFCP-RC (PSF) Customers Allocated Costs | \$ 2,126,249 |
| Per Order 10221 Settlement Agreement - Trucked LNG | (1) \$ 4,638 |
| Total | \$ 2,130,887 |
| Firm Transportation and LVG-QFCP-RC (PSF) Customers Volumes | 7,203,695 MCF |

Proposed Pressure Support Fee **\$0.2958 per MCF**

* Note: This fee revenue offsets a portion of the cost of pressure support which is charged 100% to the GCR demand costs.

(1) This adjustment is described in further detail in Witness Coan's testimony - Question 14.

Delmarva Power & Light Company
Derivation of Transportation Balancing Charge
Proposed to be Effective November 2023

| | | 2023/2024 Projected Annual Cost | 2021/2022 Actual Annual Balancing Requirements |
|---|-----|--|---|
| | | (\$) | (MCF) |
| <u>Services Required For Swing & Storage Services</u> | | | |
| Transco GSS | | \$1,962,620 | 2,968,307 |
| Columbia FSS and SST | | \$1,579,650 | 867,619 |
| Estimated Upstream Costs of Balancing | (c) | <u>\$3,542,270</u> | <u>3,835,927</u> |
| <u>Actual Balancing Volumes from the 2021/2022 GCR Period (MCF)</u> | | | |
| Other Contract Customers | | 111,756 | 11.36% |
| LVG-QFCP-RC | | 22,207 | 2.26% |
| Interruptible Transportation (Balancing volume included in Firm Transportation) | | - | 0.00% |
| Firm Transportation | | <u>849,434</u> | <u>86.38%</u> |
| Total Balancing Service Requirements (BSC) | | <u>983,397</u> | <u>100.00%</u> |
| Total Balancing Service Requirements (BSC) | (a) | 983,397 | MCF |
| 2021/2022 Annual Balancing Requirements for All Customers | (b) | <u>3,835,927</u> | <u>MCF</u> |
| BSC Allocation Factor (a) divided by (b) | (d) | 26% | |
| GCR Allocation Factor (1-BSC Allocation Factor) | | 74% | |
| BSC Cost (c) times (d) | | \$920,990 | |
| Total Balancing Service Requirements (BSC) | | <u>983,397</u> | <u>MCF</u> |
| Proposed Balancing Charge | | <u>\$0.9365 per MCF</u> | |

SCHEDULE RJC-11

CLEAN TARIFF

Delmarva Power & Light Company
P.S.C. Del. No. 5 – Gas

Revision: Ninety-fifth
Revised: August 30, 2023

RATES AND CHARGES
CORE SALES RATE LEAF

| <u>SERVICE CLASSIFICATION</u> | <u>BASE RATE</u> | <u>BASIS</u> |
|--|------------------|------------------------|
| <u>Residential Gas Sales Service (“RG”)</u> | | |
| Customer Charge | \$15.00 | per month |
| Delivery Charge | \$0.72908 | per CCF |
| Environmental Surcharge Rider | \$0.00000 | per CCF |
| Gas Cost Rate (GCR) | \$0.43071 | per CCF |
| <u>Residential Gas Space Heating Service (“RGS”)</u> | | |
| Customer Charge | \$15.00 | per month |
| Delivery Charge | \$0.60171 | per CCF |
| Environmental Surcharge Rider | \$0.00000 | per CCF |
| Gas Cost Rate (GCR) | \$0.43071 | per CCF |
| <u>General Gas Sales Service (“GG”)</u> | | |
| Customer Charge | \$55.59 | per month |
| Delivery Charge | | |
| First 750 CCF | \$0.40964 | per CCF |
| Over 750 CCF | \$0.40964 | per CCF |
| Environmental Surcharge Rider | \$0.00000 | per CCF |
| Gas Cost Rate (GCR) | \$0.43071 | per CCF |
| <u>Gas Lighting Sales Service (“GL”)</u> | | |
| (Estimated Usage - 15 CCF per month) | | |
| Monthly Charge | \$ 9.82 | per gas light |
| Gas Cost Rate (GCR) | \$ 6.46 | per gas light |
| <u>Medium Volume Gas Sales Service (“MVG”)</u> | | |
| Customer Charge | \$785.71 | per month |
| Demand Charge | \$20.136 | per MCF of Billing MDQ |
| Delivery Charge 2/ | \$0.60370 | per MCF |
| Environmental Surcharge Rider | \$0.00000 | per MCF |
| Gas Cost Rate (GCR) | \$4.3071 | per MCF |
| <u>Large Volume Gas Sales Service (“LVG”)</u> | | |
| Customer Charge | \$1,146.62 | per month |
| Demand Charge | \$13.754 | per MCF of Billing MDQ |
| Delivery Charge 2/ | \$0.17824 | per MCF |
| Environmental Surcharge Rider | \$0.00000 | per MCF |
| Gas Demand Cost Rate (DCR) | \$1.7494 | per MCF |
| Gas Commodity Cost Rate (CCR) 2/ | Varies | per MCF |

Public Utilities Tax: 4.25% applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% Charged on all non-exempt services, in the City of Wilmington, including the GCR.

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81
Distribution System Improvement Charge For applicability refer to Rider DSIC on Leaf No. 85
EDIT Sur Credits Refer to Rider “EDIT”

2/ All LVG and “Electing” MVG Customers pay a monthly Gas Demand Cost Rate and a Commodity Cost Rate based upon the system Weighted Average Commodity Cost of Gas (“System WACCOG”). “Non-Electing” MVG Customers pay the annual GCR listed here.

Order No.
Docket No.

Filed: August 30, 2023
Effective with Usage On and After November 1, 2023

Proposed

RATES AND CHARGES
CORE SALES RATE LEAF

| <u>SERVICE CLASSIFICATION</u> | <u>BASE RATE</u> | <u>BASIS</u> |
|---|------------------|---|
| <u>Large Volume Gas Sales Service-Qualified Fuel Cell Provider-Renewable Capable Power Production (“LVG-QFCP-RC”)</u> | | |
| Customer Charge | \$1,221.62 | per month |
| Demand Charge | \$8.72439 | per MCF of Billing MDQ |
| Capital Recovery Charge | Varies | per Customer’s Executed Service Agreement |
| Pressure Support Fee | \$0.2958 | per MCF Redelivered |
| Balancing Fee | \$0.9365 | per MCF of Imbalance Volumes |
| Environmental Surcharge Rider | \$0.00000 | per MCF |
| Gas Cost Rate (GCR) Commodity Charge 1/ | Varies | per MCF |

Public Utilities Tax: 4.25% applies to all non-residential services, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% charged on all non-exempt services, in the City of Wilmington.

| | |
|--|--|
| Utility Facility Relocation Charge | For applicability refer to Rider UFRC on Leaf No. 81 |
| Distribution System Improvement Charge | For applicability refer to Rider DSIC on Leaf No. 85 |
| EDIT Sur Credits | Refer to Rider “EDIT” |

- 1/ All LVG-QFCP-RC customers pay a Commodity Charge Rate based upon the Gas Daily Average (GDA) for Transco Zone 6 Non-New York North price plus any premiums incurred by the Company to provide this service.

RATES AND CHARGES

CORE TRANSPORTATION RATE LEAF

| <u>SERVICE CLASSIFICATION</u> | <u>BASE RATE</u> | <u>BASIS</u> |
|---|------------------|--|
| <u>General Volume Firm Transportation</u> | | |
| <u>Service (“GVFT”)</u> | | |
| Customer Charge | \$193.70 | per month |
| Delivery Charge | | |
| First 750 CCF | \$0.40964 | per CCF Redelivered |
| Over 750 CCF | \$0.40964 | per CCF Redelivered |
| Pressure Support Fee | \$0.02958 | per CCF Redelivered |
| Balancing Fee Non-Base Rate | \$0.09365 | per CCF of Imbalance Volumes |
| Environmental Surcharge Rider | \$0.00000 | per CCF |
| <u>Medium Volume Firm Transportation</u> | | |
| <u>Service (“MVFT”)</u> | | |
| Customer Charge | \$860.71 | per month |
| Demand Charge | \$20.136 | per MCF of Billing MDQ |
| Delivery Charge | \$0.60370 | per MCF Redelivered |
| Pressure Support Fee | \$0.2958 | per MCF Redelivered |
| Balancing Fee Non-Base Rate | \$0.9365 | per MCF of Imbalance Volumes |
| Environmental Surcharge Rider | \$0.00000 | per MCF |
| <u>Large Volume Firm Transportation</u> | | |
| <u>Service (“LVFT”)</u> | | |
| Customer Charge | \$1,221.62 | per month |
| Demand Charge | \$13.754 | per MCF of Billing MDQ |
| Delivery Charge | \$0.17824 | per MCF Redelivered |
| Pressure Support Fee | \$0.2958 | per MCF Redelivered |
| Balancing Fee Non-Base Rate | \$0.9365 | per MCF of Imbalance Volumes |
| Environmental Surcharge Rider | \$0.00000 | per MCF |
| <u>Standby Service (“SBS”)</u> | | |
| Demand Charge Non-Base Rate | \$1.7494 | per MCF |
| Commodity Charge | | Monthly System WACCOG per MCF (adjusted for Lost and Unaccounted for Gas) |
| Utility Facility Relocation Charge | | For applicability refer to Rider UFRC on Leaf No. 81 |
| Distribution System Improvement Charge | | For applicability refer to Rider DSIC on Leaf No. 85 |
| EDIT Sur Credits | | Refer to Rider “EDIT” |
| <u>Public Utilities Tax:</u> 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax. | | |
| <u>City of Wilmington Local Franchise Tax:</u> 2.00% Charged on all non-exempt Services, in the City of Wilmington, including the GCR. | | |

Order No.

Filed August 30, 2023

Docket No.

Effective with Usage On and After November 1, 2023

Proposed

RATES AND CHARGES
NON-CORE RATE LEAF

| <u>SERVICE CLASSIFICATION</u> | <u>BASE RATE</u> | <u>MIN RATE</u> | <u>MAX RATE</u> | <u>NON-BASE RATE</u> | <u>BASIS</u> |
|--|------------------|-----------------|-----------------|----------------------|---------------------------------|
| <u>Flexibly Priced Gas Service (“FPS”)</u> | | | | | |
| Commodity Charge 1/ Balancing Fee | \$ 0.15000 | Varies | N/A | | per MCF per MCF Redelivered |
| <u>Medium Volume Interruptible Transportation Service (“MVIT”)</u> | | | | | |
| Customer Charge | \$860.71 | | | | per month |
| Delivery Charge (2) | | | | | |
| Option 1 | \$ 1.30000 | | | | per MCF Redelivered |
| Option 2 | | \$0.01 | \$3.27 | | per MCF Redelivered |
| Option 3 | Negotiable | | | | per MCF Redelivered |
| Balancing Fee | | | | \$0.9365 | per MCF of Imbalance Volumes |
| <u>Large Volume Interruptible Transportation Service (“LVIT”)</u> | | | | | |
| Customer Charge | \$1,221.62 | | | | per month |
| Delivery Charge (2) | | | | | |
| Option 1 | | | | | |
| First 5,000 MCF | \$ 1.30000 | | | | per MCF Redelivered |
| Over 5,000 MCF | \$ 0.36000 | | | | per MCF Redelivered |
| Option 2 | | \$0.01 | \$1.00 | | per MCF Redelivered |
| Option 3 | Negotiable | | | | per MCF Redelivered |
| Balancing Fee | | | | \$0.9365 | per MCF of Imbalance Volumes |
| <u>Quasi-Firm Transportation Service (“QFT”)</u> | | | | | |
| Customer Charge | Negotiable | | | | per Month |
| Demand Charge | Negotiable | | | | per MCF of MDQ |
| Delivery Charge (2) | Negotiable | | | | per MCF Redelivered |
| Balancing Fee | | | | \$0.9365 | per MCF of Imbalance Volumes |

Public Utilities Tax 4.25% applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2.00% Charged on all non-exempt services, in the City of Wilmington, including the GCR

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81

Distribution System Improvement Charge For applicability refer to Rider DSIC on Leaf No. 85
Transition Cost Adjustment Charge For applicability and rate see Leaf No. 59

1/ Minimum Rate is the monthly system WACCOG plus Lost and Unaccounted for Gas, unless gas is acquired specifically for, plus \$0.01 per Mcf.

2/ Minimum and maximum rates do not include the applicable \$0.00000/Mcf charge on QFT, MVIT and LVIT.

Order No.

Filed: August 30, 2023

Docket No.

Effective with Usage On and After November 1, 2023
Proposed

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

H. Stand-by Maximum Daily Quantity

The Stand-by Maximum Daily Quantity for "Human Needs" firm transportation Customers shall equal their firm transportation MDQ. For all other firm transportation Customers the Stand-by Maximum Daily Quantity shall be specified in the contract.

I. Standby Service

Standby service, as provided under Service Classification "SBS", is required for any "Human Needs" Customer that does not maintain complete dual fuel capabilities for the load being served under any transportation Service Classification. Human Needs Customers are defined as those falling in the Standard Industrial Code ("SIC") 805-807 designations.

J. Metering

Metering shall be provided by the Company at its own expense. All firm transportation Customers shall have daily metering and interruptible Customers shall have hourly metering devices. The Customer shall provide an independent dedicated electrical supply and phone line for the operation of this equipment, in an area acceptable to the Company. A separate meter may be required by the Company, at the Customer's expense, where the Customer is taking service under more than one Service Classification at the same facility. When separate metering is not feasible, redeliveries shall be specified in the Service Agreement. The Company is under no obligation to install separate or additional metering for transportation Customers or their Agents and any remote access to the Company's meters will be at the Customer's expense.

K. Transportation Scheduling

The Company and Customer shall have scheduling personnel available 24 hours per day, seven days per week. Any notices provided to the Customer's gas supplier or Agent shall be deemed to have been made to the Customer, unless otherwise instructed in advance by the Customer.

The Company's transportation operating procedures, as modified from time-to-time, will be provided to each transportation Customer prior to the initiation of transportation service. The Company shall not be obligated to redeliver gas on any gas day that such gas is not received from the transporting pipeline(s). The business day is defined as being from 10:00 a.m. to 10:00 a.m. EST (EDT).

The quantity of gas tendered by the Customer for transportation shall be adjusted monthly for thermal content and reduced by three point five percent (3.5 %) for Lost and Unaccounted for Gas. The thermal correction factor will be determined by dividing the average BTU content per MCF of gas received by the Company for transportation by the average BTU content per MCF of gas for the Company's system for that month.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

L. Balancing of Transportation Volumes (Continued)

If the Customer's cumulative monthly imbalance at the end of the month is an excess deliveries position, an amount up to five (5) percent of the Customer's deliveries, net of Lost and Unaccounted for Gas, shall be carried forward as the beginning imbalance in the following month. All excess deliveries at the end of the month greater than five (5) percent of the Customer's deliveries, net of Lost and Unaccounted for Gas, are subject to the monthly cash out provision hereunder.

The maximum allowable cumulative daily imbalances during any month (excess deliveries or excess takes) shall be two times the Contract MDQ. On any day, if a Customer's cumulative daily imbalances during any month (excess deliveries or excess takes) exceeds two times the Customer's Contract MDQ, the Company may issue an Operational Flow Order (OFO) to require adjustments to Customer's daily scheduling of deliveries or takes over a reasonable period of time to maintain a concurrent balance or remedy an imbalance.

On any gas day, if an excess takes imbalance causes Customer's cumulative daily imbalances during any month to exceed two times the contract MDQ, such excess shall be cashed out at the higher of the relevant *Gas Daily* Market Rate postings listed in Paragraph N., plus the applicable transportation rate and all taxes and surcharges, unless the Company notifies the Customer that the excess takes will not be cashed out, but will be accumulated.

On any gas day, if an excess deliveries imbalance causes Customer's cumulative daily imbalances during any month to exceed two times the Contract MDQ at any time during the month, such excess shall be immediately cashed out for all excesses above two times the MDQ at a price equal to ninety percent (90%) of the lower of the relevant *Gas Daily* Market Rate posting listed in Paragraph N, unless the Company notifies the Customer that the excess will not be cashed out but will be accumulated.

M. Transportation Balancing Fee

A balancing fee, on a per MCF basis shall be applicable to all Transportation Services for all daily Customer usage in excess of, or short of, confirmed nominations of gas adjusted for thermal content and reduced by three point five percent (3.5%) for Lost and Unaccounted for Gas.

N. Unauthorized Overrun

An unauthorized overrun is defined as the occurrence, without authorization from the Company, of one of the following three conditions:

- (1) Any quantity of gas taken hereunder on any gas day in excess of 110% of the Customer's actual gas deliveries for that gas day, net of Lost and Unaccounted for Gas, shall be considered unauthorized overrun volumes.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

S. Special Provisions

The Customer bears sole responsibility for all costs incurred to deliver Customer owned gas to the Company's gas distribution system.

The Company's ability to receive Customer owned gas at the specific point(s) of receipt is subject to the operating limitations of the Company and/or the limitations of the upstream party at such point(s).

The Customer shall be responsible for all reasonable costs incurred by the Company in connection with the initiation and rendering of transportation services, including costs required to make suitable facilities available.

The Company will not accept gas for delivery that will adversely impact the integrity of the Company's pipeline system, limit its rights to current or future supply or capacity entitlements, or impose any financial or administrative burdens that would not have existed without acceptance of Customer's transportation volumes.

Customers may be directed by the Company to deliver a portion of or all of their daily nomination to a specific delivery point to facilitate operation of the Company's system and / or ensure system reliability. The Company will be under no obligation to accept or redeliver gas delivered to points other than those specified by the Company in these instances.

T. Public Utilities Tax

The Delaware State Public Utilities Tax shall apply to all transportation services rendered hereunder, unless the Customer is exempt from such tax.

U. Transition Rate

This rate applies to a customer that leaves firm service without appropriate notice as described in paragraph V below. The rate is calculated by dividing the Upstream Supply Demand Charges by the Peak Design Day (in Mcf) and the number of days in a year to calculate the Daily Rate per Mcf. The current Transition Rate is \$0.37 per Mcf.

V. Transition Cost Adjustment Charge

Notwithstanding any provision to the contrary in the tariff provisions applicable to a firm service classification, a firm sales customer taking service under the "LVG", "MVG" or "GG" service classifications may transfer service to a transportation service by providing 12 months prior notice of transfer or by paying a Transition Cost Adjustment charge based on the Transition Rate per Mcf. The applicable Mcf figure will be the larger of a Customer's firm natural gas commodity volumes used in the 12 months prior to the transfer or the average annual use of firm natural gas over the prior three years ending in the most recent July prior to the transfer. If 12 months notice is given prior to the transfer, no Transition Cost Adjustment charge will be owed. The Transition Cost Adjustment charge will be prorated for notices of transfer of less than 12 months.

REDLINE TARIFF

Delmarva Power & Light Company
P.S.C. Del. No. 5 – Gas

Revision: Ninety-~~fourth~~fifth
Revised: ~~May 3~~August 30, 2023

RATES AND CHARGES
CORE SALES RATE LEAF

| <u>SERVICE CLASSIFICATION</u> | <u>BASE RATE</u> | <u>BASIS</u> |
|--|------------------------------------|------------------------|
| <u>Residential Gas Sales Service (“RG”)</u> | | |
| Customer Charge | \$15.00 | per month |
| Delivery Charge | \$0.72908 | per CCF |
| Environmental Surcharge Rider | \$0.00000 | per CCF |
| Gas Cost Rate (GCR) | \$0. 721874 <u>3071</u> | per CCF |
| <u>Residential Gas Space Heating Service (“RGS”)</u> | | |
| Customer Charge | \$15.00 | per month |
| Delivery Charge | \$0.60171 | per CCF |
| Environmental Surcharge Rider | \$0.00000 | per CCF |
| Gas Cost Rate (GCR) | \$0. 721874 <u>3071</u> | per CCF |
| <u>General Gas Sales Service (“GG”)</u> | | |
| Customer Charge | \$55.59 | per month |
| Delivery Charge | | |
| First 750 CCF | \$0.40964 | per CCF |
| Over 750 CCF | \$0.40964 | per CCF |
| Environmental Surcharge Rider | \$0.00000 | per CCF |
| Gas Cost Rate (GCR) | \$0. 721874 <u>3071</u> | per CCF |
| <u>Gas Lighting Sales Service (“GL”)</u> | | |
| (Estimated Usage - 15 CCF per month) | | |
| Monthly Charge | \$ 9.82 | per gas light |
| Gas Cost Rate (GCR) | \$ 10.83 <u>6.46</u> | per gas light |
| <u>Medium Volume Gas Sales Service (“MVG”)</u> | | |
| Customer Charge | \$785.71 | per month |
| Demand Charge | \$20.136 | per MCF of Billing MDQ |
| Delivery Charge 2/ | \$0.60370 | per MCF |
| Environmental Surcharge Rider | \$0.00000 | per MCF |
| Gas Cost Rate (GCR) | \$7.21874 <u>.3071</u> | per MCF |
| <u>Large Volume Gas Sales Service (“LVG”)</u> | | |
| Customer Charge | \$1,146.62 | per month |
| Demand Charge | \$13.754 | per MCF of Billing MDQ |
| Delivery Charge 2/ | \$0.17824 | per MCF |
| Environmental Surcharge Rider | \$0.00000 | per MCF |
| Gas Demand Cost Rate (DCR) | \$1.8638 <u>7494</u> | per MCF |
| Gas Commodity Cost Rate (CCR) 2/ | Varies | per MCF |

Public Utilities Tax: 4.25% applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% Charged on all non-exempt services, in the City of Wilmington, including the GCR.

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81
Distribution System Improvement Charge For applicability refer to Rider DSIC on Leaf No. 85
EDIT Sur Credits Refer to Rider “EDIT”

2/ All LVG and “Electing” MVG Customers pay a monthly Gas Demand Cost Rate and a Commodity Cost Rate based upon the system Weighted Average Commodity Cost of Gas (“System WACCOG”). “Non-Electing” MVG Customers pay the annual GCR listed here.

Order No. ~~10221~~

Filed ~~May 3~~August 30, 2023

Docket No. ~~22-0726~~

Effective with Usage On and After ~~April~~November 1, 2023

~~Filed in Compliance with Order No. 10221 in Docket No. 22-0726~~
~~To reflect Gas Cost Rates Approved as Final Proposed~~

RATES AND CHARGES
CORE SALES RATE LEAFSERVICE CLASSIFICATIONBASE RATEBASISLarge Volume Gas Sales Service-Qualified Fuel Cell Provider-Renewable Capable Power Production
("LVG-QFCP-RC")

| | | |
|---|---------------------------------|---|
| Customer Charge | \$1,221.62 | per month |
| Demand Charge | \$8.72439 | per MCF of Billing MDQ |
| Capital Recovery Charge | Varies | per Customer's Executed Service Agreement |
| Pressure Support Fee | \$0.2962 <u>2958</u> | per MCF Redelivered |
| Balancing Fee | \$0.8833 <u>9365</u> | per MCF of Imbalance Volumes |
| Environmental Surcharge Rider | \$0.00000 | per MCF |
| Gas Cost Rate (GCR) Commodity Charge 1/ | Varies | per MCF |

Public Utilities Tax: 4.25% applies to all non-residential services, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% charged on all non-exempt services, in the City of Wilmington.

| | |
|--|--|
| Utility Facility Relocation Charge | For applicability refer to Rider UFRC on Leaf No. 81 |
| Distribution System Improvement Charge | For applicability refer to Rider DSIC on Leaf No. 85 |
| EDIT Sur Credits | Refer to Rider "EDIT" |

- 1/ All LVG-QFCP-RC customers pay a Commodity Charge Rate based upon the Gas Daily Average (GDA) for Transco Zone 6 Non-New York North price plus any premiums incurred by the Company to provide this service.

Order No. ~~10221~~Filed ~~May 3~~August 30, 2023Docket No. ~~22-0726~~Effective with Usage On and After November 1, ~~2022~~2023~~Filed in Compliance with Order No. 10221 in Docket No. 22-0726~~~~To reflect Gas Cost Rates Approved as Final~~Proposed

Delmarva Power & Light Company
P.S.C. Del. No. 5 – Gas

Revision: Eighty-~~eight~~^{ninth}
Revised: ~~May 3~~^{August 30}, 2023

RATES AND CHARGES

CORE TRANSPORTATION RATE LEAF

| <u>SERVICE CLASSIFICATION</u> | <u>BASE RATE</u> | <u>BASIS</u> |
|---|--|--|
| <u>General Volume Firm Transportation</u> | | |
| <u>Service (“GVFT”)</u> | | |
| Customer Charge | \$193.70 | per month |
| Delivery Charge | | |
| First 750 CCF | \$0.40964 | per CCF Redelivered |
| Over 750 CCF | \$0.40964 | per CCF Redelivered |
| Pressure Support Fee | \$0. 02962 ⁰²⁹⁵⁸ | per CCF Redelivered |
| Balancing Fee Non-Base Rate | \$0. 08833 ⁰⁹³⁶⁵ | per CCF of Imbalance Volumes |
| Environmental Surcharge Rider | \$0.00000 | per CCF |
| <u>Medium Volume Firm Transportation</u> | | |
| <u>Service (“MVFT”)</u> | | |
| Customer Charge | \$860.71 | per month |
| Demand Charge | \$20.136 | per MCF of Billing MDQ |
| Delivery Charge | \$0.60370 | per MCF Redelivered |
| Pressure Support Fee | \$0. 2962 ²⁹⁵⁸ | per MCF Redelivered |
| Balancing Fee Non-Base Rate | \$0. 8833 ⁹³⁶⁵ | per MCF of Imbalance Volumes |
| Environmental Surcharge Rider | \$0.00000 | per MCF |
| <u>Large Volume Firm Transportation</u> | | |
| <u>Service (“LVFT”)</u> | | |
| Customer Charge | \$1,221.62 | per month |
| Demand Charge | \$13.754 | per MCF of Billing MDQ |
| Delivery Charge | \$0.17824 | per MCF Redelivered |
| Pressure Support Fee | \$0. 2962 ²⁹⁵⁸ | per MCF Redelivered |
| Balancing Fee Non-Base Rate | \$0. 8833 ⁹³⁶⁵ | per MCF of Imbalance Volumes |
| Environmental Surcharge Rider | \$0.00000 | per MCF |
| <u>Standby Service (“SBS”)</u> | | |
| Demand Charge Non-Base Rate | \$1. 8638 ⁷⁴⁹⁴ | per MCF |
| Commodity Charge | | Monthly System WACCOG per MCF (adjusted for Lost and Unaccounted for Gas) |
| Utility Facility Relocation Charge | | For applicability refer to Rider UFRC on Leaf No. 81 |
| Distribution System Improvement Charge | | For applicability refer to Rider DSIC on Leaf No. 85 |
| EDIT Sur Credits | | Refer to Rider “EDIT” |
| <u>Public Utilities Tax:</u> 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax. | | |

City of Wilmington Local Franchise Tax: 2.00% Charged on all non-exempt Services, in the City of Wilmington, including the GCR.

Order No. ~~10221~~

Filed ~~May 3~~^{August 30}, 2023

Docket No. ~~22-0726~~

Effective with Usage On and After November 1, ~~2022~~²⁰²³

~~Filed in Compliance with Order No. 10221 in Docket No. 22-0726~~

~~To reflect Gas Cost Rates Approved as Final~~

Proposed

Delmarva Power & Light Company
P.S.C. Del. No. 5 – Gas

Revision: Fifty-~~fifth~~^{sixth}
Revised: ~~May 3~~^{August 30}, 2023

RATES AND CHARGES
NON-CORE RATE LEAF

| <u>SERVICE CLASSIFICATION</u> | <u>BASE RATE</u> | <u>MIN RATE</u> | <u>MAX RATE</u> | <u>NON-BASE RATE</u> | <u>BASIS</u> |
|--|---|-----------------|-----------------|-------------------------|---------------------------------|
| <u>Flexibly Priced Gas Service (“FPS”)</u> | | | | | |
| Commodity Charge 1/ Balancing Fee | \$ 0.15000 | Varies | N/A | | per MCF per MCF Redelivered |
| <u>Medium Volume Interruptible Transportation Service (“MVIT”)</u> | | | | | |
| Customer Charge | \$860.71 | | | | per month |
| Delivery Charge (2) | | | | | |
| Option 1 | \$ 1.30000 | | | | per MCF Redelivered |
| Option 2 | | \$0.01 | \$3.27 | | per MCF Redelivered |
| Option 3 | Negotiable | | | | per MCF Redelivered |
| Balancing Fee | | | | \$0.88339365 | per MCF of Imbalance Volumes |
| <u>Large Volume Interruptible Transportation Service (“LVIT”)</u> | | | | | |
| Customer Charge | \$1,221.62 | | | | per month |
| Delivery Charge (2) | | | | | |
| Option 1 | | | | | |
| First 5,000 MCF | \$ 1.30000 | | | | per MCF Redelivered |
| Over 5,000 MCF | \$ 0.36000 | | | | per MCF Redelivered |
| Option 2 | | \$0.01 | \$1.00 | | per MCF Redelivered |
| Option 3 | Negotiable | | | | per MCF Redelivered |
| Balancing Fee | | | | \$0.88339365 | per MCF of Imbalance Volumes |
| <u>Quasi-Firm Transportation Service (“QFT”)</u> | | | | | |
| Customer Charge | Negotiable | | | | per Month |
| Demand Charge | Negotiable | | | | per MCF of MDQ |
| Delivery Charge (2) | Negotiable | | | | per MCF Redelivered |
| Balancing Fee | | | | \$0.88339365 | per MCF of Imbalance Volumes |
| <u>Public Utilities Tax</u> | | | | | |
| | 4.25% applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax. | | | | |

City of Wilmington Local Franchise Tax: 2.00% Charged on all non-exempt services, in the City of Wilmington, including the GCR

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81

Distribution System Improvement Charge For applicability refer to Rider DSIC on Leaf No. 85
Transition Cost Adjustment Charge For applicability and rate see Leaf No. 59

1/ Minimum Rate is the monthly system WACCOG plus Lost and Unaccounted for Gas, unless gas is acquired specifically for, plus \$0.01 per Mcf.

2/ Minimum and maximum rates do not include the applicable \$0.00000/Mcf charge on QFT, MVIT and LVIT.

Order No. ~~10221~~

Filed: ~~May 3~~^{August 30}, 2023

Docket No. ~~22-0726~~

Effective with Usage On and After November 1, ~~2022~~²⁰²³

~~Filed in Compliance with Order No. 10221 in Docket No. 22-0726~~

~~To reflect Gas Cost Rates Approved as Final~~

Proposed

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

H. Stand-by Maximum Daily Quantity

The Stand-by Maximum Daily Quantity for "Human Needs" firm transportation Customers shall equal their firm transportation MDQ. For all other firm transportation Customers the Stand-by Maximum Daily Quantity shall be specified in the contract.

I. Standby Service

Standby service, as provided under Service Classification "SBS", is required for any "Human Needs" Customer that does not maintain complete dual fuel capabilities for the load being served under any transportation Service Classification. Human Needs Customers are defined as those falling in the Standard Industrial Code ("SIC") 805-807 designations.

J. Metering

Metering shall be provided by the Company at its own expense. All firm transportation Customers shall have daily metering and interruptible Customers shall have hourly metering devices. The Customer shall provide an independent dedicated electrical supply and phone line for the operation of this equipment, in an area acceptable to the Company. A separate meter may be required by the Company, at the Customer's expense, where the Customer is taking service under more than one Service Classification at the same facility. When separate metering is not feasible, redeliveries shall be specified in the Service Agreement. The Company is under no obligation to install separate or additional metering for transportation Customers or their Agents and any remote access to the Company's meters will be at the Customer's expense.

K. Transportation Scheduling

The Company and Customer shall have scheduling personnel available 24 hours per day, seven days per week. Any notices provided to the Customer's gas supplier or Agent shall be deemed to have been made to the Customer, unless otherwise instructed in advance by the Customer.

The Company's transportation operating procedures, as modified from time-to-time, will be provided to each transportation Customer prior to the initiation of transportation service. The Company shall not be obligated to redeliver gas on any gas day that such gas is not received from the transporting pipeline(s). The business day is defined as being from 10:00 a.m. to 10:00 a.m. EST (EDT).

The quantity of gas tendered by the Customer for transportation shall be adjusted monthly for thermal content and reduced by three point ~~seven~~^{five} percent (3.~~7~~⁵ %) for Lost and Unaccounted for Gas. The thermal correction factor will be determined by dividing the average BTU content per MCF of gas received by the Company for transportation by the average BTU content per MCF of gas for the Company's system for that month.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

L. Balancing of Transportation Volumes (Continued)

If the Customer's cumulative monthly imbalance at the end of the month is an excess deliveries position, an amount up to five (5) percent of the Customer's deliveries, net of Lost and Unaccounted for Gas, shall be carried forward as the beginning imbalance in the following month. All excess deliveries at the end of the month greater than five (5) percent of the Customer's deliveries, net of Lost and Unaccounted for Gas, are subject to the monthly cash out provision hereunder.

The maximum allowable cumulative daily imbalances during any month (excess deliveries or excess takes) shall be two times the Contract MDQ. On any day, if a Customer's cumulative daily imbalances during any month (excess deliveries or excess takes) exceeds two times the Customer's Contract MDQ, the Company may issue an Operational Flow Order (OFO) to require adjustments to Customer's daily scheduling of deliveries or takes over a reasonable period of time to maintain a concurrent balance or remedy an imbalance.

On any gas day, if an excess takes imbalance causes Customer's cumulative daily imbalances during any month to exceed two times the contract MDQ, such excess shall be cashed out at the higher of the relevant *Gas Daily* Market Rate postings listed in Paragraph N., plus the applicable transportation rate and all taxes and surcharges, unless the Company notifies the Customer that the excess takes will not be cashed out, but will be accumulated.

On any gas day, if an excess deliveries imbalance causes Customer's cumulative daily imbalances during any month to exceed two times the Contract MDQ at any time during the month, such excess shall be immediately cashed out for all excesses above two times the MDQ at a price equal to ninety percent (90%) of the lower of the relevant *Gas Daily* Market Rate posting listed in Paragraph N, unless the Company notifies the Customer that the excess will not be cashed out but will be accumulated.

M. Transportation Balancing Fee

A balancing fee, on a per MCF basis shall be applicable to all Transportation Services for all daily Customer usage in excess of, or short of, confirmed nominations of gas adjusted for thermal content and reduced by three point ~~seven~~five percent (3.~~75~~5%) for Lost and Unaccounted for Gas.

N. Unauthorized Overrun

An unauthorized overrun is defined as the occurrence, without authorization from the Company, of one of the following three conditions:

- (1) Any quantity of gas taken hereunder on any gas day in excess of 110% of the Customer's actual gas deliveries for that gas day, net of Lost and Unaccounted for Gas, shall be considered unauthorized overrun volumes.

Order No. ~~10221-~~
Docket No. ~~22-0726-~~

Filed: ~~May 3~~August 30, 2023
Effective with Usage On and After November 1, ~~2022~~2023

~~Filed in Compliance with Order No. 10221 in Docket No. 22-0726~~
~~To reflect Gas Cost Rates Approved as Final~~
Proposed

Delmarva Power & Light Company
P.S.C. Del. No. 5 – Gas

Leaf No.: 59
Revision: ~~Twelfth~~Thirteenth
Revised: ~~May 3~~August 30, 2023

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

S. Special Provisions

The Customer bears sole responsibility for all costs incurred to deliver Customer owned gas to the Company's gas distribution system.

The Company's ability to receive Customer owned gas at the specific point(s) of receipt is subject to the operating limitations of the Company and/or the limitations of the upstream party at such point(s).

The Customer shall be responsible for all reasonable costs incurred by the Company in connection with the initiation and rendering of transportation services, including costs required to make suitable facilities available.

The Company will not accept gas for delivery that will adversely impact the integrity of the Company's pipeline system, limit its rights to current or future supply or capacity entitlements, or impose any financial or administrative burdens that would not have existed without acceptance of Customer's transportation volumes.

Customers may be directed by the Company to deliver a portion of or all of their daily nomination to a specific delivery point to facilitate operation of the Company's system and / or ensure system reliability. The Company will be under no obligation to accept or redeliver gas delivered to points other than those specified by the Company in these instances.

T. Public Utilities Tax

The Delaware State Public Utilities Tax shall apply to all transportation services rendered hereunder, unless the Customer is exempt from such tax.

U. Transition Rate

This rate applies to a customer that leaves firm service without appropriate notice as described in paragraph V below. The rate is calculated by dividing the Upstream Supply Demand Charges by the Peak Design Day (in Mcf) and the number of days in a year to calculate the Daily Rate per Mcf. The current Transition Rate is \$0.~~38~~37 per Mcf.

V. Transition Cost Adjustment Charge

Notwithstanding any provision to the contrary in the tariff provisions applicable to a firm service classification, a firm sales customer taking service under the "LVG", "MVG" or "GG" service classifications may transfer service to a transportation service by providing 12 months prior notice of transfer or by paying a Transition Cost Adjustment charge based on the Transition Rate per Mcf. The applicable Mcf figure will be the larger of a Customer's firm natural gas commodity volumes used in the 12 months prior to the transfer or the average annual use of firm natural gas over the prior three years ending in the most recent July prior to the transfer. If 12 months notice is given prior to the transfer, no Transition Cost Adjustment charge will be owed. The Transition Cost Adjustment charge will be prorated for notices of transfer of less than 12 months.

Order No. ~~10221~~
Docket No. ~~22-0726~~

Filed: ~~May 3~~August 30, 2023
Effective with Usage on or after November 1, ~~2022~~2023

~~Filed in Compliance with Order No. 10221 in Docket No. 22-0726~~
~~To reflect Gas Cost Rates Approved as Final~~Proposed

Delmarva Power & Light Company
2023/2024 Gas Cost Rate
Docket No. 23-1161
Interim Order

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY)
FOR APPROVAL OF MODIFICATIONS) PSC DOCKET NO. 23-1161
TO ITS GAS COST RATES)
(FILED AUGUST 30, 2023))

ORDER NO. 10308

AND NOW, this 4th day of October 2023, the Delaware Public Service Commission (“Commission”) determines and orders the following:

WHEREAS, on August 30, 2023, Delmarva Power & Light Company (“Delmarva” or “the Company”) filed with the Commission the above-captioned application (the “Application”) seeking approval to change its Gas Cost Rates (“GCR”) effective for usage on or after November 1, 2023, with proration, as follows: (1) revise the GCR demand and commodity charge applicable to Service Classifications MVG and LVG; (2) revise the volumetrically applied GCR factors applicable to Service Classifications RG, RGSB, GG, GL, and non-electing MVG, effective on November 1, 2023, with proration; (3) approve the proposed Balancing Charge, Transition Cost Adjustment Charge, and Pressure Support Fee for the November 2023 – October 2024 GCR period; and (4) approve changes to Leaf Nos. 37, 37a, 38, 39, 53, 55, and 59 of the Company’s tariff to become effective on November 1, 2023; and

WHEREAS, the Commission has determined, pursuant to 26 *Del. C.* §§ 304 and 306, that the proposed GCR changes should be permitted to become effective for usage on and after November 1, 2023, subject to refund and pending the Commission’s further review and final decision;

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

1. Pursuant to 26 *Del. C.* §§ 303(b), 304, and 306, the following proposed changes to the GCR rates, and the accompanying proposed tariff revisions set forth in the Application, are permitted to become effective for natural gas usage on or after November 1, 2023, with proration and subject to refund and pending the Commission's final decision:

| | Present | | Proposed | |
|------------------------------|-------------------|----------------------|-------------------|----------------------|
| Rate Schedules | GCR Demand Charge | GCR Commodity Charge | GCR Demand Charge | GCR Commodity Charge |
| RG, RGSH, GG, GL and N/E MVG | N/A | 72.187¢/ccf | N/A | 43.071¢/ccf |
| Electing MVG and LVG | \$1.8638/Mcf | Varies | \$1.7494/Mcf | Varies |
| Standby Service | \$1.8638/Mcf | N/A | \$1.7494/Mcf | N/A |

2. Delmarva 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 as **Exhibit "A"** in two-column format, outlined in black, in the legal classified section of The News Journal newspaper on or before **Tuesday, October 10, 2023**. Delmarva shall submit proof of such publication as soon as possible, but no later than the commencement of any evidentiary hearings concerning this matter.

3. The Commission shall not assign this docket to a Hearing Examiner to conduct an evidentiary hearing, but, rather, shall conduct an evidentiary hearing on the Application during a regularly scheduled meeting to be determined later.

4. Pursuant to 26 *Del. C.* § 502 and 29 *Del. C. ch.* 101, the Commission designates Senior Hearing Examiner Mark Lawrence for the sole purpose of considering any petitions for intervention that may be filed in this docket.

5. The deadline for intervention pursuant to 26 *Del. Admin C.* § 1001-2.9 shall be

Tuesday, October 31, 2023. Petitions for intervention that are not received by the Commission on or before Tuesday, October 31, 2023, will not be granted unless good cause is shown. Pursuant to Rule 1001-6.4 of the Commission's Rules of Practice and Procedure, 26 *Del. Admin. C.* § 1001-1.6.4, petitions for intervention should be filed using the Commission's file management system, DelaFile (<http://delafile.delaware.gov>), by searching for Docket No. 23-1161.

6. Interested persons or entities may file written comments or objections to the proposed changes in the Application. Such written comments or objections must be filed ***on or before November 28, 2023***, using the Commission's file management system, DelaFile (<http://delafile.delaware.gov>), by searching for Docket No. 23-1161. In addition, the Commission will accept public comments on the Application immediately prior to the commencement of the evidentiary hearing.

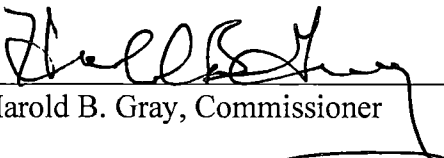
7. Delmarva is hereby put on notice that it will be charged the costs incurred by the Commission Staff and the Division of the Public Advocate in connection with this proceeding under the provisions of 26 *Del. C.* § 114(b)(1).

8. 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:

Dallas Winslow, Chairman

Joann Conaway, Commissioner

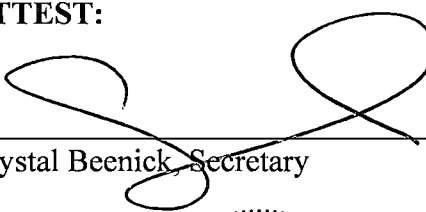


Harold B. Gray, Commissioner

Manubhai Karia, Commissioner

K. F. Drexler, Commissioner

ATTEST:



Crystal Beenick, Secretary



/s/ K.F. Drexler

K.F. Drexler, Commissioner

***Voted via Teleconference pursuant to 29 Del. C. §
10006(A)(d)***

/s/ Joann Conaway

Joann Conaway, Commissioner

***Voted via Teleconference pursuant to 29 Del. C. §
10006(A)(d)***

EXHIBIT “A”

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

**IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT)
COMPANY FOR APPROVAL OF) PSC DOCKET NO. 23-1161
MODIFICATIONS TO ITS GAS COST)
RATES (FILED AUGUST 30, 2023))**

PUBLIC NOTICE

**TO: ALL NATURAL GAS CUSTOMERS OF DELMARVA POWER & LIGHT
COMPANY AND OTHER INTERESTED PERSONS**

Delmarva Power & Light’s Gas Cost Rate Application

On August 30, 2023, Delmarva Power & Light Company (“Delmarva” or the “Company”) filed with the Delaware Public Service Commission (the “Commission”) an application pursuant to 26 *Del. C.* §§ 303(b), 304, and 306 seeking to change its Gas Cost Rates (“GCR”) as follows:

| Rate Schedules | Present | | Proposed | |
|------------------------------|--------------------------|-----------------------------|--------------------------|-----------------------------|
| | GCR Demand Charge | GCR Commodity Charge | GCR Demand Charge | GCR Commodity Charge |
| RG, RGSH, GG, GL and N/E MVG | N/A | 72.187¢/ccf | N/A | 43.071¢/ccf |
| Electing MVG and LVG | \$1.8638/Mcf | Varies | \$1.7494/Mcf | Varies |
| Standby Service | \$1.8638/Mcf | N/A | \$1.7494/Mcf | N/A |

The effect on a residential space heating customer having a 12-month average of 56 ccf per month will be a decrease of \$16.30, or 18.1%, from \$89.91 to \$73.61, in the customer’s total bill. (The effect on a residential space heating customer during the winter months (with an average usage of 78 ccf) is a monthly decrease of \$22.71.) Gas supply costs included in the GCR represent approximately 33% of the residential space heating customer’s bill. Customers served on Service

Classification GG will experience a decrease in their bills ranging between 8.4% and 25.7%, while customers served on Service Classification MVG will experience a decrease in their bills ranging between 23.9% and 33.2%, depending upon their load and usage characteristics.

By Order No. 10308 dated October 4, 2023, the Commission permitted the proposed GCR and other rates to become effective with usage on and after November 1, 2023, subject to refund and pending the Commission's final decision after evidentiary hearings and any other proceedings that may be necessary.

The Commission will conduct evidentiary hearings, to be scheduled at a later date, concerning this Application. The Commission's final decision will be based on the entire record of the case.

If you wish to formally participate as a party in this matter, with the right to present evidence and be represented by counsel, you must file with the Commission a written petition for leave to intervene in accordance with the requirements of the Commission's Rules of Practice and Procedure (26 *Del. Admin. C.* § 1001-2.9) **on or before Tuesday, October 31, 2023**. All such petitions should be e-filed according to the Commission's Rules (26 *Del. Admin. C.* § 1001-1.6.4). Petitions filed after the deadline of October 31, 2023, will not be considered except for good cause shown.

Interested persons may file objections to the proposed rate changes and the accompanying proposed tariff revisions set forth in the Application. Such objections or written comments shall be filed **on or before Tuesday, November 28, 2023**, using the Commission's file management system, DelaFile (<http://delafile.delaware.gov>), and by searching for Docket No. 23-1166.

You are invited to review Delmarva's Application and supporting documents to determine how your interests may be affected by going to DelaFile (<http://delafile.delaware.gov>), the Commission's file management system, and by searching for Docket No. 23-1161.

If you would like to review documents at the Commission's offices, please contact Crystal Beenick at (302) 736-7534 or by sending an email addressed to crystal.beenick@delaware.gov.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. The link to this form can be found on the Commission's website, <http://depsec.delaware.gov>, or by visiting this web address: <https://sos.delaware.gov/foia-requests/>. The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 *Del. C.* ch. 100.

If you have a disability and wish to participate or to review the materials in this matter, 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 regarding this matter by Internet e-mail addressed to psc@delaware.gov; include "PSC Docket No. 23-1161" as the subject.

Delmarva Power & Light Company
2023/2024 Gas Cost Rate
Docket No. 23-1161
Compliance Filing

Brian T.N. Jordan
Assistant General Counsel

U.S. mail: 302.429.3786 – Telephone
92DC42 302.429.3801 – Facsimile
PO Box 6066
Newark, DE 19714-6066 Brian.Jordan@exeloncorp.com

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

October 10, 2023

Via DelaFile

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

Re: **PSC Docket No. 23-1161:**
Delmarva Power & Light Company's 2023-24
Gas Cost Rates – Compliance Filing

Dear Secretary Beenick,

Enclosed please find Delmarva Power & Light Company's compliance filing in the above-referenced docket. The filing is made in compliance with Commission Order No. 10308, dated October 4, 2023, which approved the Gas Cost Rates that go into effect on November 1, 2023.

Should you have any questions or require any additional information, please feel free to contact me at brian.jordan@exeloncorp.com or contact Diane Goff at diane.goff@pepcoholdings.com.

Respectfully,

/s/ Brian T.N. Jordan

Brian T.N. Jordan
Bar Id. # 5501

Attachment

RATES AND CHARGES
CORE SALES RATE LEAF

| <u>SERVICE CLASSIFICATION</u> | <u>BASE RATE</u> | <u>BASIS</u> |
|--|------------------|------------------------|
| <u>Residential Gas Sales Service (“RG”)</u> | | |
| Customer Charge | \$15.00 | per month |
| Delivery Charge | \$0.72908 | per CCF |
| Environmental Surcharge Rider | \$0.00000 | per CCF |
| Gas Cost Rate (GCR) | \$0.43071 | per CCF |
| <u>Residential Gas Space Heating Service (“RGS”)</u> | | |
| Customer Charge | \$15.00 | per month |
| Delivery Charge | \$0.60171 | per CCF |
| Environmental Surcharge Rider | \$0.00000 | per CCF |
| Gas Cost Rate (GCR) | \$0.43071 | per CCF |
| <u>General Gas Sales Service (“GG”)</u> | | |
| Customer Charge | \$55.59 | per month |
| Delivery Charge | | |
| First 750 CCF | \$0.40964 | per CCF |
| Over 750 CCF | \$0.40964 | per CCF |
| Environmental Surcharge Rider | \$0.00000 | per CCF |
| Gas Cost Rate (GCR) | \$0.43071 | per CCF |
| <u>Gas Lighting Sales Service (“GL”)</u> | | |
| (Estimated Usage - 15 CCF per month) | | |
| Monthly Charge | \$ 9.82 | per gas light |
| Gas Cost Rate (GCR) | \$ 6.46 | per gas light |
| <u>Medium Volume Gas Sales Service (“MVG”)</u> | | |
| Customer Charge | \$785.71 | per month |
| Demand Charge | \$20.136 | per MCF of Billing MDQ |
| Delivery Charge 2/ | \$0.60370 | per MCF |
| Environmental Surcharge Rider | \$0.00000 | per MCF |
| Gas Cost Rate (GCR) | \$4.3071 | per MCF |
| <u>Large Volume Gas Sales Service (“LVG”)</u> | | |
| Customer Charge | \$1,146.62 | per month |
| Demand Charge | \$13.754 | per MCF of Billing MDQ |
| Delivery Charge 2/ | \$0.17824 | per MCF |
| Environmental Surcharge Rider | \$0.00000 | per MCF |
| Gas Demand Cost Rate (DCR) | \$1.7494 | per MCF |
| Gas Commodity Cost Rate (CCR) 2/ | Varies | per MCF |

Public Utilities Tax: 4.25% applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% Charged on all non-exempt services, in the City of Wilmington, including the GCR.

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81

Distribution System Improvement Charge For applicability refer to Rider DSIC on Leaf No. 85

EDIT Sur Credits Refer to Rider “EDIT”

2/ All LVG and “Electing” MVG Customers pay a monthly Gas Demand Cost Rate and a Commodity Cost Rate based upon the system Weighted Average Commodity Cost of Gas (“System WACCOG”). “Non-Electing” MVG Customers pay the annual GCR listed here.

RATES AND CHARGES
CORE SALES RATE LEAF

SERVICE CLASSIFICATION

BASE RATE

BASIS

Large Volume Gas Sales Service-Qualified Fuel Cell Provider-Renewable Capable Power Production
("LVG-QFCP-RC")

| | | |
|---|------------|---|
| Customer Charge | \$1,221.62 | per month |
| Demand Charge | \$8.72439 | per MCF of Billing MDQ |
| Capital Recovery Charge | Varies | per Customer's Executed Service Agreement |
| Pressure Support Fee | \$0.2958 | per MCF Redelivered |
| Balancing Fee | \$0.9365 | per MCF of Imbalance Volumes |
| Environmental Surcharge Rider | \$0.00000 | per MCF |
| Gas Cost Rate (GCR) Commodity Charge 1/ | Varies | per MCF |

Public Utilities Tax: 4.25% applies to all non-residential services, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% charged on all non-exempt services, in the City of Wilmington.

| | |
|--|--|
| Utility Facility Relocation Charge | For applicability refer to Rider UFRC on Leaf No. 81 |
| Distribution System Improvement Charge | For applicability refer to Rider DSIC on Leaf No. 85 |
| EDIT Sur Credits | Refer to Rider "EDIT" |

- 1/ All LVG-QFCP-RC customers pay a Commodity Charge Rate based upon the Gas Daily Average (GDA) for Transco Zone 6 Non-New York North price plus any premiums incurred by the Company to provide this service.

CORE TRANSPORTATION RATE LEAF

| | |
|--------------------|--|
| Order No. 10308 | Filed October 10, 2023 |
| Docket No. 23-1161 | Effective with Usage On and After November 1, 2023 |

RATES AND CHARGES
NON-CORE RATE LEAF

| <u>SERVICE CLASSIFICATION</u> | <u>BASE RATE</u> | <u>MIN RATE</u> | <u>MAX RATE</u> | <u>NON-BASE RATE</u> | <u>BASIS</u> |
|--|------------------|-----------------|-----------------|----------------------|---------------------------------|
| <u>Flexibly Priced Gas Service (“FPS”)</u> | | | | | |
| Commodity Charge 1/ Balancing Fee | \$ 0.15000 | Varies | N/A | | per MCF per MCF Redelivered |
| <u>Medium Volume Interruptible Transportation Service (“MVIT”)</u> | | | | | |
| Customer Charge | \$860.71 | | | | per month |
| Delivery Charge (2) | | | | | |
| Option 1 | \$ 1.30000 | | | | per MCF Redelivered |
| Option 2 | | \$0.01 | \$3.27 | | per MCF Redelivered |
| Option 3 | Negotiable | | | | per MCF Redelivered |
| Balancing Fee | | | | \$0.9365 | per MCF of Imbalance Volumes |
| <u>Large Volume Interruptible Transportation Service (“LVIT”)</u> | | | | | |
| Customer Charge | \$1,221.62 | | | | per month |
| Delivery Charge (2) | | | | | |
| Option 1 | | | | | |
| First 5,000 MCF | \$ 1.30000 | | | | per MCF Redelivered |
| Over 5,000 MCF | \$ 0.36000 | | | | per MCF Redelivered |
| Option 2 | | \$0.01 | \$1.00 | | per MCF Redelivered |
| Option 3 | Negotiable | | | | per MCF Redelivered |
| Balancing Fee | | | | \$0.9365 | per MCF of Imbalance Volumes |
| <u>Quasi-Firm Transportation Service (“QFT”)</u> | | | | | |
| Customer Charge | Negotiable | | | | per Month |
| Demand Charge | Negotiable | | | | per MCF of MDQ |
| Delivery Charge (2) | Negotiable | | | | per MCF Redelivered |
| Balancing Fee | | | | \$0.9365 | per MCF of Imbalance Volumes |

Public Utilities Tax 4.25% applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2.00% Charged on all non-exempt services, in the City of Wilmington, including the GCR

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81

Distribution System Improvement Charge For applicability refer to Rider DSIC on Leaf No. 85
Transition Cost Adjustment Charge For applicability and rate see Leaf No. 59

1/ Minimum Rate is the monthly system WACCOG plus Lost and Unaccounted for Gas, unless gas is acquired specifically for, plus \$0.01 per Mcf.

2/ Minimum and maximum rates do not include the applicable \$0.00000/Mcf charge on QFT, MVIT and LVIT.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

H. Stand-by Maximum Daily Quantity

The Stand-by Maximum Daily Quantity for "Human Needs" firm transportation Customers shall equal their firm transportation MDQ. For all other firm transportation Customers the Stand-by Maximum Daily Quantity shall be specified in the contract.

I. Standby Service

Standby service, as provided under Service Classification "SBS", is required for any "Human Needs" Customer that does not maintain complete dual fuel capabilities for the load being served under any transportation Service Classification. Human Needs Customers are defined as those falling in the Standard Industrial Code ("SIC") 805-807 designations.

J. Metering

Metering shall be provided by the Company at its own expense. All firm transportation Customers shall have daily metering and interruptible Customers shall have hourly metering devices. The Customer shall provide an independent dedicated electrical supply and phone line for the operation of this equipment, in an area acceptable to the Company. A separate meter may be required by the Company, at the Customer's expense, where the Customer is taking service under more than one Service Classification at the same facility. When separate metering is not feasible, redeliveries shall be specified in the Service Agreement. The Company is under no obligation to install separate or additional metering for transportation Customers or their Agents and any remote access to the Company's meters will be at the Customer's expense.

K. Transportation Scheduling

The Company and Customer shall have scheduling personnel available 24 hours per day, seven days per week. Any notices provided to the Customer's gas supplier or Agent shall be deemed to have been made to the Customer, unless otherwise instructed in advance by the Customer.

The Company's transportation operating procedures, as modified from time-to-time, will be provided to each transportation Customer prior to the initiation of transportation service. The Company shall not be obligated to redeliver gas on any gas day that such gas is not received from the transporting pipeline(s). The business day is defined as being from 10:00 a.m. to 10:00 a.m. EST (EDT).

The quantity of gas tendered by the Customer for transportation shall be adjusted monthly for thermal content and reduced by three point five percent (3.5%) for Lost and Unaccounted for Gas. The thermal correction factor will be determined by dividing the average BTU content per MCF of gas received by the Company for transportation by the average BTU content per MCF of gas for the Company's system for that month.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

L. Balancing of Transportation Volumes (Continued)

If the Customer's cumulative monthly imbalance at the end of the month is an excess deliveries position, an amount up to five (5) percent of the Customer's deliveries, net of Lost and Unaccounted for Gas, shall be carried forward as the beginning imbalance in the following month. All excess deliveries at the end of the month greater than five (5) percent of the Customer's deliveries, net of Lost and Unaccounted for Gas, are subject to the monthly cash out provision hereunder.

The maximum allowable cumulative daily imbalances during any month (excess deliveries or excess takes) shall be two times the Contract MDQ. On any day, if a Customer's cumulative daily imbalances during any month (excess deliveries or excess takes) exceeds two times the Customer's Contract MDQ, the Company may issue an Operational Flow Order (OFO) to require adjustments to Customer's daily scheduling of deliveries or takes over a reasonable period of time to maintain a concurrent balance or remedy an imbalance.

On any gas day, if an excess takes imbalance causes Customer's cumulative daily imbalances during any month to exceed two times the contract MDQ, such excess shall be cashed out at the higher of the relevant *Gas Daily* Market Rate postings listed in Paragraph N., plus the applicable transportation rate and all taxes and surcharges, unless the Company notifies the Customer that the excess takes will not be cashed out, but will be accumulated.

On any gas day, if an excess deliveries imbalance causes Customer's cumulative daily imbalances during any month to exceed two times the Contract MDQ at any time during the month, such excess shall be immediately cashed out for all excesses above two times the MDQ at a price equal to ninety percent (90%) of the lower of the relevant *Gas Daily* Market Rate posting listed in Paragraph N, unless the Company notifies the Customer that the excess will not be cashed out but will be accumulated.

M. Transportation Balancing Fee

A balancing fee, on a per MCF basis shall be applicable to all Transportation Services for all daily Customer usage in excess of, or short of, confirmed nominations of gas adjusted for thermal content and reduced by three point five percent (3.5%) for Lost and Unaccounted for Gas.

N. Unauthorized Overrun

An unauthorized overrun is defined as the occurrence, without authorization from the Company, of one of the following three conditions:

- (1) Any quantity of gas taken hereunder on any gas day in excess of 110% of the Customer's actual gas deliveries for that gas day, net of Lost and Unaccounted for Gas, shall be considered unauthorized overrun volumes.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

S. Special Provisions

The Customer bears sole responsibility for all costs incurred to deliver Customer owned gas to the Company's gas distribution system.

The Company's ability to receive Customer owned gas at the specific point(s) of receipt is subject to the operating limitations of the Company and/or the limitations of the upstream party at such point(s).

The Customer shall be responsible for all reasonable costs incurred by the Company in connection with the initiation and rendering of transportation services, including costs required to make suitable facilities available.

The Company will not accept gas for delivery that will adversely impact the integrity of the Company's pipeline system, limit its rights to current or future supply or capacity entitlements, or impose any financial or administrative burdens that would not have existed without acceptance of Customer's transportation volumes.

Customers may be directed by the Company to deliver a portion of or all of their daily nomination to a specific delivery point to facilitate operation of the Company's system and / or ensure system reliability. The Company will be under no obligation to accept or redeliver gas delivered to points other than those specified by the Company in these instances.

T. Public Utilities Tax

The Delaware State Public Utilities Tax shall apply to all transportation services rendered hereunder, unless the Customer is exempt from such tax.

U. Transition Rate

This rate applies to a customer that leaves firm service without appropriate notice as described in paragraph V below. The rate is calculated by dividing the Upstream Supply Demand Charges by the Peak Design Day (in Mcf) and the number of days in a year to calculate the Daily Rate per Mcf. The current Transition Rate is \$0.37 per Mcf.

V. Transition Cost Adjustment Charge

Notwithstanding any provision to the contrary in the tariff provisions applicable to a firm service classification, a firm sales customer taking service under the "LVG", "MVG" or "GG" service classifications may transfer service to a transportation service by providing 12 months prior notice of transfer or by paying a Transition Cost Adjustment charge based on the Transition Rate per Mcf. The applicable Mcf figure will be the larger of a Customer's firm natural gas commodity volumes used in the 12 months prior to the transfer or the average annual use of firm natural gas over the prior three years ending in the most recent July prior to the transfer. If 12 months notice is given prior to the transfer, no Transition Cost Adjustment charge will be owed. The Transition Cost Adjustment charge will be prorated for notices of transfer of less than 12 months.

Delmarva Power & Light Company
2023/2024 Gas Cost Rate
Docket No. 23-1161
Settlement Agreement

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

| | | |
|--|---|-------------------------------|
| IN THE MATTER OF THE APPLICATION |) | |
| OF DELMARVA POWER & LIGHT COMPANY |) | |
| FOR APPROVAL OF MODIFICATIONS |) | PSC Docket No. 23-1161 |
| TO ITS GAS COST RATES |) | |
| (Filed August 30, 2024) |) | |

PROPOSED SETTLEMENT

Delmarva Power & Light Company, the Delaware Public Service Commission Staff, and the Delaware Division of the Public Advocate (individually each a “Party,” and collectively, the “Parties”) hereby propose a complete settlement of all issues in this proceeding (the “Proposed Settlement”) as follows.

I. INTRODUCTION AND PROCEDURAL BACKGROUND

1. On August 30, 2023, Delmarva Power filed an application (the “Application”) with the Delaware Public Service Commission to modify its Gas Cost Rate (“GCR”) factors effective for usage on and after November 1, 2023, with proration, as follows: (1) revise the GCR demand and commodity charge applicable to Service Classifications MVG and LVG; (2) revise the volumetrically applied GCR factors applicable to Service Classifications RG, RGSB, GG, GL, and non-electing MVG, effective on November 1, 2023, with proration; (3) approve the proposed Balancing Charge and Pressure Support Fee for the November 2023-October 2024 GCR Period; and (4) approve changes to Tariff Leaf Nos. 37, 37a, 38, 39, 53, 55, and 59 to become effective November 1, 2023.

2. In its Application, Delmarva Power proposed the following rate adjustments:

| <u>Rate Schedules</u> | <u>Present</u> | | <u>Proposed</u> | |
|---------------------------------|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|
| | <u>GCR Demand Charge</u> | <u>GCR Commodity Charge</u> | <u>GCR Demand Charge</u> | <u>GCR Commodity Charge</u> |
| RG, RGSH, GG, GL and N/E MVG | N/A | 72.187¢/ccf | N/A | 43.071¢/ccf |
| Electing MVG and LVG | \$1.8638/Mcf | Varies | \$1.7494/Mcf | Varies |
| Standby Service | \$1.8638 /Mcf | N/A | \$1.7494/Mcf | N/A |

3. If the GCR rates proposed in the Application are approved, residential space heating customers (shown in the above chart as “RG”) with average monthly usage of 56 ccf over a twelve-month period will experience a decrease of \$16.30 (or 18.1%), from \$89.91 to \$73.61, on a typical monthly bill. Customers served on Service Classification MVG will experience a decrease ranging between 23.9% and 33.2% on their bills, depending on their load and usage characteristics. Customers served on Service Classification GG will experience a decrease ranging from 8.4% to 25.7%.

4. On October 4, 2023, the Commission issued Order No. 10308, allowing the GCR factors to become effective with usage on or after November 1, 2023, subject to refund, pending a final decision by the Commission.

5. During the course of this proceeding, the Parties conducted written discovery in the form of formal data requests.

6. Additionally, throughout the year, as well as during the proceeding, the Parties met on several occasions to discuss various issues, including hedging, natural gas markets, capacity, and other issues related to the acquisition of natural gas supply for Delmarva Power’s natural gas customers.

The Parties intend to continue these meetings on a regular basis. Staff has also conducted monthly audits of Delmarva Power's GCR sales, revenues, and costs.

7. The Parties have conferred and have agreed to enter into this Proposed Settlement on the terms and conditions contained herein because they believe that resolving the matter by stipulation will serve the public interest, while meeting the statutory requirement that rates be both just and reasonable. The Parties agree that the terms and conditions of this Proposed Settlement will be presented to the Commission for its approval at the evidentiary hearing scheduled for April 17, 2024.

II. SETTLEMENT PROVISIONS

GCR Rates

8. The Parties agree that the proposed GCR rates filed by Delmarva Power in its Application should be approved as final, subject to true-up in Delmarva Power's 2024-25 GCR proceeding.

Balancing Fee Formula

9. Delmarva Power purchases no-notice interstate pipeline service from Transcontinental Gas Pipe Line Company, LLC and from Columbia Gas Transmission, LLC. No-notice service includes a balancing charge to accommodate the variance that occurs when a GCR or transportation customer takes a natural gas delivery from a pipeline in a volume that differs from the quantity of natural gas delivered to the pipeline. Delmarva Power's no-notice service includes injection/withdrawal, variable transportation, and fuel charges. Delmarva Power provides these customers with a balancing service to accommodate their daily differences in deliveries and usage, but Delmarva Power's charge for that balancing service does not include injection/withdrawal, variable transportation, and fuel charges. Staff and the DPA have recommended that Delmarva Power's

balancing charge calculation be modified to include the costs of injection/withdrawal, variable transportation, and fuel charges.

10. The Parties agree that Delmarva Power will seek Commission approval in its August 2024 GCR Application to modify the balancing service charge it provides transportation customers to include injection/withdrawal, variable transportation, and fuel charges.

Returning Non-Core or Transportation Service Customers

11. The Parties agree that for purposes of determining whether there is sufficient natural gas supply and transmission capability to permit a non-core or transportation service customer to return to sales service, a reduction in the Company's projected capacity reserve margin to two (2) percent and less constitutes a finding that inadequate capacity is available to permit the return of non-core or transportation service customers to sales service.

12. The Parties acknowledge that Delmarva Power's capacity reserve margin is positive 3.4%, which is 1.4% above the threshold for the return of non-core or transportation service customers. The Parties agree that Delmarva Power will require all returning non-core or transportation service customers to sign a three-year firm sales service agreement to discourage these customers from re-enrolling and then departing. The Parties further agree that Delmarva Power will close further enrollment by returning non-core or transportation service customers if the projected capacity reserve margin drops to 2.0%.

13. These provisions will remain in place until specifically changed by a future Commission order or the Company demonstrates a projected capacity reserve margin of less than two (2) percent at which point the Company shall provide written notification to the Public Advocate, Staff, and the Commission that it will no longer allow these Customers to return.

Discussions on the GCR Process

14. The Parties have met to discuss process improvements in the GCR process. The Parties agree to continue these meetings to discuss process improvements in the GCR process.

III. ADDITIONAL PROVISIONS

15. The provisions of this Proposed Settlement are not severable.

16. This Proposed Settlement represents a compromise for the purposes of settlement and shall not be regarded as a precedent with respect to any ratemaking or any other principle in any future case. No Party to this Proposed Settlement necessarily agrees or disagrees with the treatment of any particular item, any procedure followed, or the resolution of any particular issue in agreeing to this Proposed Settlement other than as specified herein, except that the Parties agree that the resolution of the issues herein taken as a whole results in just and reasonable rates.

17. To the extent opinions or views were expressed or issues were raised in the pre-filed testimony that are not specifically addressed in this Proposed Settlement, no findings, recommendations, or positions with respect to such opinions, views, or issues should be implied or inferred.

18. The Parties agree that this Proposed Settlement will be submitted to the Commission for a determination that it is in the public interest and that no Party will oppose such a determination. Except as expressly set forth herein, none of the Parties waives any rights it may have to take any position in future proceedings regarding the issues in this proceeding, including positions contrary to positions taken herein or in previous cases.

19. This Proposed Settlement will become effective upon the Commission's issuance of a final order approving it and all of its terms and conditions without modification. After the issuance of such final order, the terms of this Proposed Settlement shall be implemented and

enforceable notwithstanding the pendency of a legal challenge to the Commission's approval of this Proposed Settlement or to actions taken by another regulatory agency or Court, unless such implementation and enforcement is stayed or enjoined by the Commission, another regulatory agency, or a Court having jurisdiction over the matter.

20. The obligations under this Proposed Settlement, if any, that apply for a specific term set forth herein shall expire automatically in accordance with the term specified and shall require no further action for their expiration.

21. The Parties may enforce this Proposed Settlement through any appropriate action before the Commission or through any other available remedy. Any final Commission order related to the enforcement or interpretation of this Proposed Settlement shall be appealable to the Superior Court of the State of Delaware, in addition to any other available remedy at law or in equity.

22. If a Court grants a legal challenge to the Commission's approval of this Proposed Settlement and issues a final non-appealable order that prevents or precludes implementation of any material term of this Proposed Settlement, or if some other legal bar has the same effect, then this Proposed Settlement is voidable upon written notice by any Party to the other Parties.

23. This Proposed Settlement resolves all of the issues specifically addressed herein and precludes the Parties from asserting contrary positions during subsequent litigation in this proceeding or related appeals; provided, however, that this Proposed Settlement is made without admission against or prejudice to any factual or legal positions which any of the Parties may assert (a) if the Commission does not issue a final order approving this Proposed Settlement without modifications; or (b) in other proceedings before the Commission or another governmental body so long as such positions do not attempt to abrogate this Proposed Settlement. This Proposed Settlement is determinative and

conclusive of all of the issues addressed herein and, upon approval by the Commission, shall constitute a final adjudication as to the Parties of all of the issues in this proceeding.

24. This Proposed Settlement is expressly conditioned upon the Commission's approval of all of the specific terms and conditions contained herein without modification. If the Commission fails to grant such approval, or modifies any of the terms and conditions herein, this Proposed Settlement will terminate and be of no force and effect, unless the Parties agree in writing to waive the application of this provision. The Parties will make their best efforts to support this Proposed Settlement and to secure its approval by the Commission.

25. It is expressly understood and agreed that this Proposed Settlement constitutes a negotiated resolution of the issues in this proceeding.

26. This Proposed Settlement may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument. If any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the person or entity executing it (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

IN WITNESS WHEREOF, intending to bind themselves and their successors and assigns, the undersigned Parties have caused this Proposed Settlement to be signed by their duly authorized representatives.

[SIGNATURE PAGE FOLLOWS]

/s/ Brian Jordan
Delmarva Power & Light Company

By: Brian Jordan, Esq., Assistant General Counsel

Date: 3/21/2024

/s/ Malika Davis
Delaware Public Service Commission Staff

By: Malika Davis, Deputy Director

Date: 3/21/2024

/s/ Ruth Ann Price
Delaware Division of the Public Advocate

By: Ruth Ann Price, Acting Public Advocate

Date: 3/19/2024