

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE REVIEW OF A)
 RESTRUCTURING PLAN FOR RETAIL COMPETITION)
 FILED BY DELAWARE ELECTRIC COOPERATIVE,)
 INC., THE DETERMINATION OF RATES TO BE IN) PSC DOCKET NO. 99-457
 EFFECT DURING THE TRANSITION PERIOD, AND)
 THE DETERMINATION OF ACCOMPANYING STRANDED)
 COSTS PURSUANT TO 26 DEL. C. §§ 1005(b),)
 1006(b)(1), AND 1007)
 (FILED SEPTEMBER 15, 1999))

ORDER NO. 5705

AND NOW, this 24th day of April, 2001, the Commission finds, determines, and orders the following:

1. The Electric Utility Restructuring Act directed the Commission to determine the actual under- or over-recovered deferred fuel balance for the Delaware Electric Cooperative, Inc. ("DEC") as of March 31, 2000, and to adopt a mechanism for such deferred balance to be recovered from, or returned to, customers in the first year of the transition period. 26 Del. C. §§ 303(c), 1006(b)(1)(h).

2. While the final deferred purchase power balance could not be accurately calculated until the actual purchase power costs for the period ending March 31, 2000 were known, the Act required the Commission to implement the recovery mechanism within ninety (90) days of March 31, 2000. Accordingly, in May, 2000, DEC informed the Commission Staff that the final deferred purchase power balance would be an under-recovery of \$1,219,203. DEC proposed that it be allowed to impose a surcharge of \$0.00153 per kWh to be effective from June 1, 2000 through May 31, 2001. The surcharge was based on the under-recovery of \$1.2 million and projected sales of 798,019,599 kWh for the twelve-month period ending May 31, 2001.

3. DEC committed to track the recovery of the final deferred fuel balance to ensure that the deferred fuel balance was not over- collected. In connection with that commitment, on April 20, 2001, DEC informed Commission Staff that a projected balance of \$51,663.50 remains to be collected through the May 2001 billing cycle and that the current surcharge level of \$0.00153 per kWh established in PSC Order No. 5450 results in an over-collection of \$29,426.50.

4. In order to avoid an over-collection, DEC proposes to reduce the recovery surcharge to \$0.00085 per kWh for the entire May 2001 billing cycle. This reduction in the recovery surcharge would result in an outstanding balance of \$6,613.50 at the end of the May 2001 billing cycle, which DEC would not seek to collect.

5. Staff has reviewed DEC's proposal and believes that the reduction in the recovery surcharge will result in no over-collection of the final deferred fuel balance from the DEC's members. Accordingly, Staff supports DEC's request for modification of the surcharge amount to \$0.00085 per kWh.

NOW, THEREFORE, IT IS ORDERED:

1. That the Commission, pursuant to 26 Del. C. § 303(c), hereby approves Delaware Electric Cooperative, Inc.'s request to modify the recovery surcharge from \$0.00153 per kWh to \$0.00085 per kWh, which amount shall be collected from Delaware Electric Cooperative, Inc.'s members for the month of May, 2001.

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

BY ORDER OF THE COMMISSION:

/s/ Robert J. McMahon
Chairman

/s/ Joshua M. Twilley
Vice Chairman

/s/ Arnetta McRae
Commissioner

/s/ Donald J. Puqlisi
Commissioner

/s/ John R. McClelland
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary