

**DEPARTMENT OF STATE
PUBLIC SERVICE COMMISSION
1000 General Regulations**

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

General Information

Purpose of Minimum Filing Requirements

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

Compliance With Minimum Filing Requirements

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

If the utility files a supplemental application seeking approval of rates that are different from the rates proposed in the original application, the filing date will be the date of filing the supplemental application. Quarterly financial updates to actuals and revised rates included in rebuttal testimony will not trigger a new filing date.

General Rate Increase Defined

A general rate increase is generally defined as an application by a regulated utility for an increase in rates which meets 1 or more of the following guidelines:

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

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

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

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

Part A - Rate Increase Applications - Major Utilities

Part A applies to utilities or divisions thereof with annual gross intra-State revenues of \$1 million or more (at time of filing). A utility with less than \$1 million of annual intra-State revenues, but whose intra-State revenues would exceed \$1 million if the proposed rates were to become effective, is subject to Part A of these regulations.

Part B - Rate Increase Applications - Small Utilities

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Utilities with less than \$1 million of annual gross intra-State revenues are subject to Part B.

Part C - Cost Adjustment Clauses - All Utilities

This section has never been promulgated.

Part D - Issuance of Securities - All Utilities

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

Part E - Quarterly Reporting Requirements - Major Utilities

All major utilities, except telecommunications and cable, subject to the jurisdiction of the Commission (i.e., those with annual gross intra-State revenues of \$1 million or more) must file quarterly per books financial information including balance sheet, rate base statement, income statement, and statement of revenues by detailed Uniform System of Accounts. Such utilities should file the required financial data relative to the twelve months ended each calendar quarter not later than 60 calendar days following the reporting quarter. If the utility needs to request an extension, a letter should be sent to the Executive Director explaining the reason for such extension. All quarterly report filings shall be made via e-filing unless the utility obtains prior written permission from the Executive Director or Deputy Director.

Part F - Annual Reporting Requirements - Small Utilities

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

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

Not in Effect.

Part A - Rate Increase Applications - Major Utilities

1.0 Instructions

- 1.1 Prefiling Announcement. In order for the Commission to schedule its future workload in an efficient manner, every public utility shall file with the Commission a Notice of Intent to file a general rate increase application not less than 60 calendar days prior to filing its application or notice of increase. This notice must include, in addition to the statement of intent to file, the dates of proposed test year and test period. If a regulated utility cancels, changes or delays a proposed general rate increase application previously reported to the Commission, the utility must promptly file an amended report reflecting such change of plans.
- 1.2 Application Requirement. The utility must provide 5 hard copies of the application for rate relief and the accompanying prepared testimony and supporting exhibits and workpapers to the Commission within 7 calendar days after filing its electronic filing.
- 1.3 Test Year and Test Periods
 - 1.3.1 Test Year Defined. The test year is the actual historical period of time for which financial and operating data will be required. The test year data must include the actual "Per Books" results of operation for a 12-month period at the end of a reporting quarter. In addition, the 12-month period must end no later than 7 months prior to the filing of the application, but no sooner than 1 month after the final closing of the test year (post reversal of accrual entries), so that actual expenditures are reflected in the books of account. For example, if the actual results of operations for the 12 months ending March 30, 200x, are used for the purposes of the test year, the application must be filed no sooner than April 30, 200x, but no later than October 31, 200x.
 - 1.3.2 Test Period Defined. The test period consists of 12 consecutive months ending at the end of a reporting quarter utilized by the utility to support its request for relief. The test period may be the same as the test year or may include some of the months included in the test year and some months projected, such as 6 months "actual" and 6 months "projected", but may not include more than 9 months "projected".

- 1.3.3 Updating Projected Test Periods. If the proposed test period is other than the test year (historic period), each quarter of projected utility data as filed shall be updated to actual utility data and provided to Staff and all parties within 60 days after the close of the quarter, unless a later date for submitting this additional data is otherwise ordered by the Hearing Examiner.
 - 1.3.4 Modifications to Test Period Data. Any modifications in test period data occasioned by reasonably known and measurable changes in current or future rate base items, expenses (i.e., labor costs, tax expense, insurance, etc.) or revenues must be offered in evidence by the utility at any time prior to or with its filing of rebuttal evidence, provided, however, that if any party objects to the proffered modifications within 10 calendar days, such objections shall be promptly presented to the Commission, the Presiding Officer or Hearing Examiner for a decision on due consideration of the parties' respective positions.
 - 1.3.5 Matching of Average Year or Year End Test Period. There must be a consistent timing match between rate base items, expenses, and revenues. For example, if a utility proposes an average year rate base, all assets and liabilities (based on average year customers and usages) shall be expressed on an average year basis. If a utility proposes an end of year rate base, all assets, liabilities, expenses and revenues (based on end of year customers and usages) shall be expressed on an end of year basis.
- 1.4 Testimony and Exhibits.
- 1.4.1 Prepared direct testimony supporting exhibits, schedules, and all workpapers supporting the application must be filed coincident with the filing of the application for rate relief. This filing requirement shall not prohibit the utility from subsequently submitting further testimony and exhibits in a timely fashion as necessary or proper to address issues raised during investigation of the application however, no utility shall be permitted to raise an issue that it could have included and was not beyond the utility's control in its application and supporting testimony and exhibits.
 - 1.4.2 All data, schedules, and exhibits filed pursuant to these Minimum Filing Requirements shall be indexed and cross-referenced to the particular section of the Minimum Filing Requirements.
 - 1.4.3 All workpapers shall be cross-referenced to the schedules to which they pertain.
 - 1.4.4 If data or other information required by these Minimum Filing Requirements has been previously filed with the Commission it may be incorporated by reference; however, the utility must provide the date of the filing (if known), docket or report number (if applicable), or a valid website address from which the data or information may be retrieved.
 - 1.4.5 The schedules shown in these Minimum Filing Requirements are for illustrative purposes and may be modified to fit the individual utility, if the utility provides the data required. The burden of proof remains by Statute on the utility; therefore, if a utility believes that additional information is necessary to support its case or is proposing a position which requires departure from the basic schedules, the utility must supplement these Minimum Filing Requirements in sufficient detail to support its position.
 - 1.4.6 All test year account data, test period account data, and account data offered for any other time period must be presented in a format consistent with the Uniform System of Accounts unless otherwise ordered by the Commission.
 - 1.4.7 All schedules and workpapers shall be provided in a spreadsheet format that can be imported in Excel or spreadsheet programs that Staff or the DPA is using. Schedules and workpapers in Excel or other spreadsheet format shall be filed in executable native format with all formulas and links intact. If links cannot be provided, proof of data must be provided.
 - 1.4.8 All schedules and workpapers shall be provided in computer application format and shall be labeled so that the name of the utility witness proffering them can be determined. By proffering a schedule, the witness testifies to the accuracy of the data contained in that schedule.
 - 1.4.9 Coincident with the filing of the application for rate relief, utilities that are regulated by the Federal Energy Regulatory Commission ("FERC") shall provide in spreadsheet format (i.e., Microsoft Excel) with formulas intact, a side-by-side comparison by FERC account to their FERC Form No, 1 or 2 for the 12-month historic year and all additional months of data beyond the historic test year that are included in the test period. Utilities shall provide the underlying support, for any variances.
 - 1.4.10 Coincident with the filing of the application for rate relief, utilities that are regulated by the FERC shall provide in spreadsheet format (i.e., Microsoft Excel) with formulas intact, a side-by-side comparison by FERC account, to the FERC budgets for any months representing forecasted data. Utilities shall provide the underlying support, for any variances.

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1.4.11 If a utility claims that any data, or information, required to be provided pursuant to these Minimum Filing Requirements is a trade secret, is proprietary information, or is confidential, the utility must specifically identify such data or information. A utility shall not apply a blanket label of confidentiality to entire pages of documents in which only portions of the material contained therein is confidential, but rather shall redact only the material on each page that it claims to be confidential. Challenges to a utility's claim that data or information is a trade secret, is proprietary, or is confidential shall be made pursuant to 26 **DE Admin. Code** 1001, subsection 1.11.

1.5 Penalty for Non-Compliance

1.5.1 The Commission Staff will review all filings for compliance with the format and instructions furnished herein and, within 15 calendar days after the date of filing, specifically identify any noncompliance with such format and instructions, and immediately request the Commission's Secretary to promptly notify the utility of the alleged defects in compliance. Following such notification by the Commission's Secretary, if the utility 15 days corrects the alleged defects; within 15 calendar days, the filing date shall be the date the utility first submitted the application to the commission for the purposes contemplated under the Public Utilities Act. In the event the alleged defects are not corrected within 15 calendar days, Staff may move the Commission to reject the utility's application for non-compliance with these Minimum Filing Requirements.

1.5.2 A utility may submit an application in draft form for Staff's informal review and approval without prejudice, such informal review and approval not to be unreasonably withheld by Staff.

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2.0 General Information

2.1 Description of Utility - If Presently Not On File With Commission

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

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

2.1.3 Provide a current system territory map indicating all cities and counties and other government subdivisions to which the utility provides service. If the utility is proposing to expand its service territory, provide a service territory map showing the areas of proposed expansion.

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

2.1.5 Identify and explain each element of the application which represents a departure from prior decisions of the Commission as found on the Commission's website and its e-filing system and the revenue requirement associated with that departure. This requirement includes proposed accounting changes or accounting changes that have occurred since the last rate Order. The utility shall provide a copy of or link to the Order(s) from which it proposes to depart.

2.2 Water. Provide a description of all major utility property, including an explanation of the system's operations and all plans for any major future expansions or modifications of facilities in the next 3 years. Provide a confidential system map showing pumping stations, purification, and/or filter plants, reservoirs, wells, springs, booster stations, standpipes, distribution mains and transmission mains. Provide a description of the present and projected water supply.

2.3 Amount and Percent of Increases. Provide a schedule showing:

2.3.1 Current annualized revenues;

2.3.2 The dollar amount of the increase by customer class and rate schedule; and

2.3.3 The percent increase over present rate revenues in the same categories.

2.4 Previous Base Rate Cases. For the utility's 3 most recent rate cases, the utility shall provide a schedule showing:

2.4.1 The docket number of each case; and

2.4.2 The PSC Order number in which the Commission granted rate relief; and

2.4.3 The compliance filings for each case after rate relief was awarded.

2.5 Negotiated or Discounted Rates. Provide a schedule identifying each negotiated or discount rate contract that the utility has. (The counterparty name may be redacted for this purpose.) The schedule should include for each contract:

- 2.5.1 The current annualized revenues;
- 2.5.2 The dollar amount of the increase; and
- 2.5.3 The percent increase over present revenues.

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3.0 Financial Results of Operations

3.1 Financial Summary

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

3.1.2 Jurisdictional versus Total Utility Results. In the event the total company results are different from the results applicable to the Delaware jurisdiction, then 2 schedules shall be submitted and designated as schedule 1A, covering the entire company, and Schedule 1B, covering the Delaware jurisdictional results.

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

- 3.2.1 Annual Report to Stockholders for applicant, its subsidiaries and its parent for last 5 years.
- 3.2.2 Annual Reports to Federal Regulatory jurisdictions, such as FERC, FCC, etc., as applicable.
- 3.2.3 SEC 10K Reports for last 5 years and most recent SEC 10Q Report for applicant or parent. If both applicant and parent have public stockholders, submit for both. If the utility is not a public company or whose parent is not under the jurisdiction of the SEC, available substantially equivalent reports for the last 5 years should be provided.
- 3.2.4 Most recent proxy statement for applicant or parent. If both applicant and parent have public stockholders, then submit for both.
- 3.2.5 All securities prospectuses for applicant utility and parent for most recent 5-year period.

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4.0 Rate Base

4.1 Rate Base Defined

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

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

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

4.2 Jurisdictional Rate Base Summary

4.2.1 Submit a jurisdictional rate base summary on Schedule 2.

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- 4.2.2 Indicate on schedule 2 in the column titled "26 Del.C. §102(3) Letter Ref." the appropriate letter reference designating the Section of the Code upon which the applicant relies for the inclusion of each item in Rate Base as set forth in subsection 4.1.
- 4.3 Used and Useful Utility Plant
- 4.3.1 Complete Schedule 2A showing total utility plant in service by major plant categories, as allocated to this jurisdiction with adjustments, if any are proposed.
- 4.3.2 Where rate base is computed using a 12-month or 13-month average, provide the data for the end of each month included in the calculation. Please provide the calculation for either the 12-month or 13-month average used.
- 4.3.3 Where rate base is allocated among jurisdictions, identify the allocation factors used and the basis for using those allocation factors.
- 4.3.4 Adjustments to the test year data must be fully identified and explained.
- 4.3.5 Utilities permitted by law to collect a Distribution System Improvement Charge ("DSIC") shall not include post-test period projected DSIC-eligible plant in their proposed used and useful utility plant. All DSIC-eligible plant shall be collected through the DSIC as provided in 26 Del.C. §§314 and 315 and 26 DE Admin.Code 1009.
- 4.4 Intangible Assets
- 4.4.1 If intangible assets are claimed in rate base, complete Schedule No. 2B.
- 4.4.2 Provide a statement of the specific reasons for inclusion in rate base.
- 4.5 Accumulated Depreciation and Amortization
- 4.5.1 Complete Schedule 2C showing accumulated reserve for depreciation by major plant categories if records permit.
- 4.5.2 When rate base is computed using a 12-month average, provide the data for the end of each month included in the calculation.
- 4.5.3 When rate base is allocated among jurisdictions, identify the allocation factors used and the basis for using those allocation factors.
- 4.5.4 Adjustments to test year data must be fully identified and explained.
- 4.6 Unrefunded Customer Advances and/or Contributions in Aid of Construction
- 4.6.1 Provide a schedule showing the actual amounts at the beginning and end of the test year and test period.
- 4.6.2 If estimated amounts are included, explain the basis of such estimate.
- 4.7 Accumulated Deferred Income Taxes and Unamortized Investment Credit
- 4.7.1 Complete Schedule 2D providing complete analysis of all deferred income taxes. Provide 1 schedule each for Federal Income Taxes and State Income Taxes.
- 4.7.2 The specific deferred income taxes shown on Schedule 2D lists some but not necessarily all deferred income taxes that may be applicable to a particular utility, hence the accounts shown should be modified as appropriate.
- 4.7.3 Provide a statement which fully explains the utility's deferred tax accounting practices, i.e., the basis upon which annual tax deferrals are determined and the basis upon which deferred tax reserves are charged or credited to current period.
- 4.7.4 Identify and provide an itemization of each tax credit balance and amortization included in the utility's rate application.
- 4.7.5 Provide the amount of tax or other credits available but not utilized as of the end of the test year.
- 4.8 Accumulated Depreciation of Customer Advances and Contributions in Aid of Construction
- 4.8.1 Provide a statement which describes the accounting procedures used to segregate depreciation reserves between investor provided and contributed property.
- 4.8.2 Provide a schedule showing the actual amounts at the beginning and end of the test year and test period.
- 4.8.3 If estimated amounts are included, explain the basis of such estimates.
- 4.9 Material and Supplies
- 4.9.1 If a claim is made for Material and Supplies, provide a schedule showing the balance in each of the major groupings of material and supplies for each of the 12 months preceding the test year, for the test year and for the test period.
- 4.9.2 If estimated balances are included, explain the basis for such estimates.

- 4.9.3 Explain any variances greater than \$500,000 for utilities with Total Gross Revenue equal or greater than \$100,000,000 and 5% for utilities with Total Gross Revenue less than \$100,000,000 for the period of time for which average Materials and Supplies total balances are included.
- 4.9.4 When materials and supplies are computed using an average, provide the balances for the end of the month included in the calculation.
- 4.10 Investor Supplied Cash Working Capital
 - 4.10.1 Complete Schedule 2E showing the components of investor supplied cash working capital included in the rate base claim.
 - 4.10.2 Other items. If any other items are included in the working capital claim, provide a full and complete explanation in support thereof including the calculation which demonstrates the amounts so included as investor-provided funds with reference to 26 **Del.C.** §102(3).
- 4.11 Other Element of Property
 - 4.11.1 Complete Schedule 2F to provide the amount, description, and justification for inclusion in rate base.
 - 4.11.2 Provide a statement of the specific reasons for inclusion in rate base with reference to 26 **Del.C.** §102(3).
 - 4.11.3 If a rate base claim is made for non-DSIC property under construction but not used and useful in whole or in part during the test period, provide a schedule showing each major project and indicate whether or not the project will add capacity or replace existing capacity or both. If major units of capacity are being added, show in calculation the additional revenue expected to be realized. If major units of capacity are being retired, indicate the type of property, its original cost, accumulated reserves for depreciation and the expected date of retirement from service.

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5.0 Net Operating Income

- 5.1 Jurisdictional Summary of Net Operating Income
 - 5.1.1 Complete Schedule 3 providing a jurisdictional summary of net operating income for the historic test year on an actual basis and for the test period.
- 5.2 Revenues
 - 5.2.1 Complete Schedule 3A showing operating revenues by major revenue category, including other operating revenues and uncollectible operating revenues, for the test year, and for the test period.
 - 5.2.2 Electric, Gas and Water Utilities. For each tariff rate, submit a schedule showing the volume of tariff unit sales for 2 years preceding the test year, the test year, and the test period. For the purpose of this section, the volume of tariff unit sales means:
 - Electric - KWH sold
 - Gas - MCF sold
 - Water - Gallons sold and hydrant fees.
 - 5.2.3 If test period volumes of sales or tariff units are based on an estimate or forecast, provide a full and complete explanation of the basis and assumptions underlying such forecast, including weather assumptions and any price elasticity effects.
 - 5.2.4 Test period revenues should be fully detailed and explained including all mathematical calculations related thereto. This information should follow Schedule 3A with appropriate adjustments referenced to the amounts shown on Schedule 3A.
- 5.3 Operating Expenses
 - 5.3.1 Complete Schedule 3B showing operating expenses, by major expense category for the test year and for the test period.
 - 5.3.2 Test period operating expenses should be fully detailed and explained including all mathematical calculations related thereto. This information should follow Schedule 3B with appropriate adjustments referenced to the adjustment amounts shown on Schedule 3B.
 - 5.3.3 Complete Schedule 3C showing test year and test period payroll and employee benefit experience. The expense portion of the total payroll costs should equal the payroll and benefit expense included in the various categories of Schedule 3B.

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- 5.3.4 Complete Schedule 3D for the 5 highest paid executives showing the most recently approved base salary and itemization of all other compensation (current and deferred) on an annual basis using the most recent actual data publicly available.
- 5.3.5 Provide a statement of procedures used for determining depreciation rates utilized to compute the depreciation expense claim (Schedule 3B). State whether the utility is basing its depreciation rates on a study conducted for this rate application, or whether the utility is using depreciation rates previously approved by the Commission or implicit in a rate determination approved by the Commission. If the latter, state when the most recent depreciation study was performed, the docket number of the case in which it was submitted, and the numbers and dates of the order(s) approving those depreciation rates.
- 5.3.6 Provide a schedule showing the current and proposed depreciation accrual rate and expense by individual plant account (if not provided in the detailed supporting adjustments in Schedule 2C).
- 5.3.7 If a change in depreciation rates is proposed, provide a copy of the most recent depreciation study that is relied on to support the depreciation rates used for the purpose of Schedule 3B.
- 5.3.8 Complete Schedule 3E providing a test year summary of sales promotion, advertising and miscellaneous sales expenses. Classify advertising expense by purpose, i.e., product or service promotion, service aids, personnel and institutional.
- 5.3.9 Complete Schedule 3F providing all test year contributions for educational or other charitable purposes included in the operating expense totals which applicant seeks to recover from rate payers. Provide the organization names, a description of the organization, tax status, and reason for inclusion in rates.
- 5.3.10 Submit a statement listing all test year and test period lobbying fees paid or to be paid influencing legislation both at the state and national levels that the utility seeks to recover from ratepayers. Where a utility employee performed this activity less than full time, furnish the basis for allocations of payroll and related costs.
- 5.3.11 Complete Schedule 3G listing test year and test period dues paid or to be paid by the company for social and service clubs that the utility seeks to recover from ratepayer. Include costs paid directly by the utility for any executive or employee recreational or "conference" facilities. Provide the organization name, a description of the organization, tax status, and reason for inclusion in rates.
- 5.3.12 Complete Schedule 3H providing an analysis of actual and projected rate case expenses. If the utility is using outside consultants and counsel and used a bidding process, provide copies of the utility's request for proposals and all bids received in response. Provide the amount paid to outside consultants and counsel that provided services in the utility's last rate case.
- 5.3.13 Provide a schedule by major expense category of all the amounts charged or credited from each affiliated company for the test year and the test period. Provide the basis of allocation or basis of charging. State whether there has been a change in allocation method or pricing formula since the last general rate case and, finally, describe the services or products provided in Delaware and the benefits of such arrangements.
- 5.3.14 Operating Taxes.
 - 5.3.14.1 Complete Schedule 3I to agree with the amount shown on Schedule 3, line 4 titled Total Operating Taxes, for the test year and for the test period.
 - 5.3.14.2 Complete Schedules 3J and 3K in support of the amount of current and deferred state and federal income tax claimed by the utility for ratemaking purposes as reflected in total on Schedule 3I.
 - 5.3.14.3 Provide a statement of the utility's income tax accounting practice with respect to timing differences related to liberalized depreciation, the Asset Depreciation Range System, accelerated amortization and cost of removal and all other timing differences such as employee benefits and taxes capitalized.
 - 5.3.14.4. Provide a statement of the utility's accounting practice with respect to all federal tax credits applicable to this filing, including a copy of all elections filed with the Internal Revenue Service related thereto.
 - 5.3.14.5 Utilities which "normalize" all or any portion of tax credits must complete Schedule 3L.
 - 5.3.14.6 If the utility is part of an affiliated group of companies and its federal income tax return is filed as part of a consolidated federal income tax return, please provide a statement of the procedure used to allocate the consolidated federal income tax liability, the benefits of the consolidated return, and how those benefits are reflected on the utility's books.

- 5.3.14.7 Complete Schedule 3M for all other Federal, State and local taxes for the test year and for the test period
- 5.4 Allowance for Funds Used During Construction (AFUDC)
 - 5.4.1 Provide a schedule showing the following:
 - 5.4.1.1 The AFUDC rate employed by the Commission in the last rate Decision.
 - 5.4.1.2 The AFUDC rate used in each month from the end of the test period in the last case through the end of the test year and test period.
 - 5.4.2 Provide a statement describing the methodology employed to complete the AFUDC rates for all periods of time specified in subsection 5.4.1 above.
 - 5.4.3 Provide a statement fully describing how the AFUDC is applied in the accounting procedures.
- 5.5 Other Income. Provide a schedule describing the nature and amount of each item of other income for the test year and test period.

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6.0 Rate of Return

- 6.1 Summary of Claimed Rate of Return
 - 6.1.1 Complete Schedule 4 providing a summary report of the proposed rate of return, including a weighted cost of capital analysis.
 - 6.1.2 Complete Schedule 4A providing the utility's actual and estimated capital structure for the end of the test year and test period. A capital structure based on a time period beyond the test year shall be accompanied by a statement of projected new issues and retirements.
- 6.2 Embedded Cost of Debt
 - 6.2.1 Describe how short-term debt is allocated between rate base and non-rate base Construction Work in Progress. Describe compensating balance requirements of credit line banks and supply documentation in support of such requirements. If the compensating balance requirements exceed the cash and float included in working capital claim, give a statement explaining the excess.
 - 6.2.2 Complete Schedules 4B and 4C to show the composition of the embedded cost of long-term debt. Use the debt costs most appropriate to the capital structure adopted, e.g., if a test year end capital structure is used, use a test year end embedded cost analysis.
 - 6.2.3 Describe long-term debt reacquisitions by utility and parent company, if applicable, as follows: reacquisitions by issue by year; total gain by acquisitions by year; accounting of gain for income tax and book purposes.
 - 6.2.4 In the event that the utility believes the true or economic cost of debt exceeds the nominal costs shown in Schedule 4C because of convertible features, sale with warrants or for any other reason, a full statement of the basis for this claim should be provided.
- 6.3 Embedded Cost of Preferred Stock
 - 6.3.1 Complete Schedules 4D and E to show the cost of preferred stock. Use the preferred stock cost rates most appropriate to the capital structure adopted for cost of capital computations, i.e., if a test year end capital structure is used, use a test year end embedded cost analysis.
 - 6.3.2 Describe preferred stock reacquisitions by the utility over the past 5 years.
 - 6.3.3 In the event that the utility claims a true or economic cost higher than the nominal rate shown in Schedule 4E due to convertibility or for any other reason, provide a full statement of the basis for this claim.
- 6.4 Common Equity Cost Rates
 - 6.4.1 Complete Schedule 4F providing data on all common equity public stock offerings (including registered secondary offerings) for the current year and for the previous 5 calendar years.
 - 6.4.2 Provide a summary statement of all stock dividends, splits or par value changes in last 5 years.
 - 6.4.3 Provide comparative financial data on Schedules 4G and 4H for the test period without rate increase for the test year, for the most recent calendar year and for the next most recent calendar year.
 - 6.4.4 Provide complete analysis and support for the utility's claimed common equity return rate.
 - 6.4.5 State what coverage requirements or capital structure ratios are required in the most restrictive of applicable indentures and how these measures are computed.
- 6.5 Parent-Subsidiary Relationship

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

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

27 DE Reg. 117 (08/01/23)

7.0 Gross Revenue Conversion Factor

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

27 DE Reg. 117 (08/01/23)

8.0 Rates and Tariffs

8.1 Provide a copy of proposed Tariff Schedules

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

C Changed Regulation

D Discontinued Rate or Regulation

I Increased Rate

N New Rate or Regulation

R Reduced Rate

S Reissued Matter

T Change in text without change in rate or regulation

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

8.4 Provide a cost of service study, showing rates of return by customer class or type of service rendered for the test year and for the test period, if available, at present and proposed rates. The months used in the cost of service study shall correspond to the months used in the utility's test period.

8.5 For test period only, provide schedule showing present revenues, pro forma adjustments, proposed increases and percent of increase for each rate schedule.

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

27 DE Reg. 117 (08/01/23)

Part B - Rate Increase Applications - Small Utilities**1.0 Instructions**

1.1 Prefiling Announcement. In order for the Commission to schedule its future workload in an efficient manner, every public utility shall file with the Commission a Notice of Intent to file a general rate increase application not less than 2 months prior to filing its application or notice of increase. If a regulated company cancels, changes or delays a proposed general rate increase application previously reported to the Commission, an amended report must be filed promptly reflecting such change of plans.

1.2 Test Year

1.2.1 The test year is the actual historical period of time for which operating and financial data will be required. The test year must include the actual "Per Books" results of operation for a 12 month period ending no more than 4 months prior to the filing of the application for increased rates. In addition, the 12-month period must end no later than 7 months prior to the filing of the application, but no sooner than 1 month after the final closing of the test year (post reversal of accrual entries), so that actual expenditures are reflected in the books of account. For example, if the actual results of operations for the 12 months ending March 30, 200x are used for purposes of the test year, the application must be filed no sooner than April 30, 200x, but no later than October 31, 200x.

1.2.2 It is suggested but not required that the test year selected correspond with the company's financial year.

- 1.2.3 The test year may be adjusted to reflect changes that are known and measurable at the time of the filing.
- 1.3 Due Date. The information required in subsequent sections of Part B is to be filed with the Commission at the time of the utility's application for an increase in rates.
- 1.4 Testimony and Exhibits. If the utility plans to submit prepared testimony and exhibits, they must be filed coincident with the filing of the application for rate relief.
- 1.5 Penalty for Non-Compliance
 - 1.5.1 The Commission Staff will review all filings for compliance with the format and instructions furnished herein and, within 15 days after the date of filing, specifically identify any non-compliance with such format and instructions, and immediately request the Commission Secretary to promptly notify the utility of the alleged defects in compliance. Following such notification by the Commission's Secretary, the utility shall have 15 days within which to correct the alleged defects; and only upon the utility's filing of the corrected application shall such application be deemed filed with the Commission for the purposes contemplated under the Public Utilities Act. In the event the alleged defects are not corrected within the time provided hereunder, Staff may move the Commission to reject the utility's application for non-compliance with these Minimum Filing Requirements.
 - 1.5.2 Nothing in this subsection 1.5 shall prevent a utility from filing an application in draft form for Staff's informal review and approval without prejudice, such informal review and approval not to be unreasonably withheld by Staff, nor shall subsection 1.5 affect or delay the filing date, for the purposes contemplated under the Public Utilities Act, of rate applications that comply with the format and instructions furnished herein, or whose non-compliance with such format and instructions is deemed minor by the Commission or its Staff.
- 1.6 General Guidelines
 - 1.6.1 Schedules shown are for illustrative purposes and may be modified to fit the individual company as long as the data intent is complied with. The burden of proof remains by Statute on the utility; therefore, if applicant utility believes that additional information is necessary to support its case or is proposing a position which requires a departure from the basic schedules, the utility should supplement the standard filing requirements as required to support its position.
 - 1.6.2 The Commission may require utilities to supply information to supplement these minimum requirements during the course of the Staff investigation of a specific case. The utility will be required to provide a duplicate copy of any such information requested by Staff to all intervenors to the proceeding as directed by the Commission. It is, however, the intent of the Commission in establishing minimum filing requirements to minimize the subsequent interrogatories and data requests.
 - 1.6.3 All schedules submitted to the Commission shall be typed and shall contain the name of the person responsible for the preparation of the data.
 - 1.6.4 Supportive work papers must be made available for Staff inspection upon request subsequent to the filing.
 - 1.6.5 If required data has been previously filed, it may be incorporated by reference.
 - 1.6.6 All data, statements and exhibits filed pursuant to these minimum filing requirements shall be identified by paragraph designation for which they are submitted.

2.0 General Information

- 2.1 Description of Company (If presently not on file with Commission or if it has been submitted in a prior proceeding, it can be incorporated by reference and only include updates).
 - 2.1.1 Provide a corporate history including dates of incorporation, subsequent acquisitions and/or mergers.
 - 2.1.2 Describe completely the ownership of the utility and all relationships between applicant utility and its parent, subsidiaries, and affiliates. Furnish a chart or charts which depict(s) the intercompany relationships.
 - 2.1.3 Provide a system map indicating all cities and counties and other government subdivisions to which service is provided.
 - 2.1.4 Provide a statement of reasons for the proposed increase including an explanation of the major factors which gave rise to the decision to seek a rate adjustment. Also include an estimate of the dollars associated with each such major factor.

3.0 Financial Results of Operations

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- 3.1 An overall financial summary must be provided on Schedule 1. The information needed to complete Schedule 1 is obtained from subsequent Schedules.
- 3.2 Supporting Documents - Submit internally prepared financial statements or those prepared by an outside accountant or CPA for the most recent 12-month period available to correspond with the historical test year selected by the utility.

4.0 Rate Base

4.1 Rate Base Defined

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

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

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

4.2 Jurisdictional Rate Base Summary

- 4.2.1 A Rate Base Summary must be provided on Schedule 2. The rate base elements set forth on Schedule 2 correspond with the definition of Rate Base set forth on IV above. Utilities are not required to use all of these elements or may wish to include others not shown under the category of "Other Elements of Property" (line 10).
 - 4.2.2 Indicate on Schedule 2 in the column titled "26 Del.C. §102 (3) Letter Ref." the appropriate letter reference designating the Section of the Code upon which the applicant relies for the inclusion of each item in Rate Base as set forth in Item 4.2.1 above.
 - 4.2.3 The column on Schedule 2 "Actual at Test Year End" means "per books" with the exception of Investor Supplied Cash Working Capital, line 8. For "Actual Test Year End" Investor Supplied Cash Working Capital, use the same procedures used for developing "claimed rate base" but applied to test year actual results of operations.
 - 4.2.4 Proposed adjustments to or computations of rate base elements (i.e., Investor Supplied Cash Working Capital) must be fully explained on Schedule 2A.
 - 4.2.5 Detailed description of Utility Plant in Service and related depreciation reserves must be provided on Schedule 2B. The totals must agree with the column titled "Actual Test Year End" on Schedule 2.
- 4.3 Please provide a narrative statement covering the following points for monopoly services not subject to competition:
- 4.3.1 Please explain any physical deficiencies in the present property and an estimate of the cost to correct such deficiencies. If plans are underway, disclose the nature of such plans.
 - 4.3.2 Provide an estimate of customer or usage growth for 2 years following the end of the test year and how the utility plans to meet such growth and provide the estimated cost of providing additional facilities to meet expected growth.
 - 4.3.3 Gas and water utilities must provide a narrative description of their respective sources of supply.

5.0 Net Operating Income Summary

- 5.1 A summary of net operating income must be provided on Schedule 3.

- 5.1.1 The "Actual for Test Year" column means actual "per books" revenue and expense for the historical test year selected without exception.
- 5.1.2 Operating revenues and expenses should be set forth by type of service or customer class and operating expenses by type. Supplemental schedules may be used for this purpose so long as they conform to the format of Schedule 3.
- 5.1.3 Proposed adjustments to test year operating revenues or experience must be fully explained on schedule 3A. Supporting documentation should be provided when available such as formal wage agreements, copies of invoices reflecting higher prices for materials purchased, tax notices, etc.
- 5.1.4 A calculation of Federal and State Income Taxes must be submitted on Schedule 3B.
- 5.1.5 Provide a narrative explanation of any Schedule "M" items (items included in determining Federal and State Income Taxes not included in Income Available for Return e.g. capitalized portion of Social Security taxes and relief and pensions (line 8), depreciation on IDC, S/S taxes and R/P capitalized (line 6), also any surplus items affecting taxable income not included in line 1) and if deferred taxes are provided on the utility's books, explain the nature of the deferred taxes and the amounts related to the test year periods as set forth on Schedule 3B.
- 5.1.6 Provide a calculation of present annual revenues based on test year volume of sales at present tariff rates and also showing the revenues expected to be derived from proposed rates on Schedule 3C. Utilities which have "block" rates are to base this calculation on a bill analysis for the test year selected.
- 5.2 Provide a narrative statement covering cost increases expected to be incurred over a 2-year period following the end of the test year, but not included in the operating expense claim for monopoly services not subject to competition.

6.0 Cost of Capital Summary

- 6.1 A Cost of Capital Summary must be provided on Schedule 4 based on actual test year data and on the basis of the utility's fair rate of return claim.
 - 6.1.1 If the fair rate of return claim is based on a capital structure different from test year actual, explain the reasons for such differences. If the difference is related to planned new financings or refinancing, please provide the detail with respect to such planned financing including the amount, cost rate, terms, etc.
 - 6.1.2 Provide an explanation, with supporting calculations, of the methodology used to arrive at the cost rate for common equity. If a rate of return study was performed, provide a copy of such study.
 - 6.1.3 Provide a detailed calculation of the claimed cost of debt and preferred stock on Schedules 4A and 4B, respectively.

Part C - Cost Adjustment Clauses - All Utilities

[Reserved]

Part D - Issuance of Securities - All Utilities

1.0 Background Information

- 1.1 Purpose. By law the Commission must take formal action on an application by a regulated company to issue securities which are payable in more than 1 year within a 30-day period after filing. In the absence of formal action within that time frame, the application is automatically approved. Part D of the Minimum Filing Requirements is designed to keep the Commission informed at all times with respect to the funding plans of all regulated companies within its jurisdiction and have the required supporting information necessary to act on formal applications in an informed manner on a timely basis.
- 1.2 26 **Del.C.** §215. This Section provides that regulated companies subject to the jurisdiction of the Commission must obtain approval of the Commission before issuing new securities which mature more than 1 year from the date of issuance. For convenience, 26 **Del.C.** §215 is duplicated below:

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§215. Merger, Mortgage or Transfer of Property: Issuance of Securities; Assumption of Obligation of Another: Exceptions

- (a) No public utility, without having first obtained the approval of the Commission, shall (1) directly or indirectly merge or consolidate with any other person or company, or sell, lease, assign, or mortgage except by supplemental indenture in accordance with the terms of a mortgage outstanding September 1, 1949, or otherwise dispose of or encumber any essential part of its franchises, plant, equipment or other property, necessary or useful in the performance of its duty to the public; or (2) issue any stocks, stock certificates, or notes, bonds or other evidence of indebtedness payable in more than one year from the date thereof; or (3) assume any obligation or liability as guarantor, endorser, surety or otherwise in respect of any security of any other person or corporation, payable or maturing more than one year after the date of such issue or assumption of liability.
- (b) Application for any such approval or authorization shall be made to the Commission in writing, verified by oath or affirmation, and be in such form and contain such information as the Commission requires.
- (c)) The Commission shall approve of any such proposed merger, mortgage, transfer, issue or assumption when it finds that the same is to be made in accordance with law, for a proper purpose and is consistent with the public interest. The Commission may make such investigation and hold such hearings in the matter as it deems necessary, and thereafter may grant any application under this section in whole or in part and with such modification and upon such terms and conditions as it deems necessary or appropriate. The Commission shall grant, modify, refuse or prescribe appropriate terms and conditions with respect to every such application or proposed merger, mortgage, transfer, issue or assumption, within 30 days after the filing of the application therefor, and in the absence of any such action within such period of time, any such proposed merger, mortgage, transfer, issue or assumption shall be deemed to be approved.
- (d) Nothing contained in this section shall be construed in any wise to prevent the sale or lease or other disposition by any public utility of any of its property in the ordinary course of its business."

1.3 Prior Orders of the Commission. Order No. 1318 in Docket No. 781 adopted by the Commission on April 24, 1974, set forth certain minimum requirements for regulated companies in connection with the issuance of securities. Order No. 1318 is superseded by the Commission's adoption of the Minimum Filing Requirements, Part D, set forth herein.

2.0 Notice

2.1 Notice of Financing Plans. On or before December 31 and June 30 of each year, all regulated companies subject to the jurisdiction of the Commission shall file a statement describing generally the securities offerings which are expected to be presented to the Commission during the ensuing 6-month period. Regulated companies which desire to file only 1 statement each year may do so if the statement is filed not later than December 31 of each year covering the ensuing 12-month period. Regulated companies with no plans to issue securities must file, at least annually, a statement to that effect. The annual or semi-annual notice shall contain, at a minimum, the following information:

- 2.1.1 A description of the securities expected to be issued, i.e., Common Stock, First Mortgage Debt, Long-Term Notes, Preferred Stock, etc.
- 2.1.2 The aggregate amount of such proposed security offering by type of security as in subsection 2.1.1 above.
- 2.1.3 The expected capitalization and capitalization ratios at the time of the security sale both before and after the issuance of the proposed new securities. This information is to be provided on Schedule No. 1.
- 2.1.4 A description of the purpose for the issuance of the proposed securities.
- 2.1.5 If a regulated company cancels, changes or delays a proposed security issue previously reported to the Commission, an amended report must be filed promptly reflecting the change of financing plans and the reasons therefore.

2.2 Prefiling Notice

2.2.1 Not later than 20 days prior to the filing of the application for approval with the Commission for the issuance of securities, each regulated company must file a Prefiling Notice.

2.2.2 The Prefiling Notice must contain the following information:

- 2.2.2.1 The expected filing date.

- 2.2.2.2 The expected closing date for the proposed securities.
- 2.2.2.3 The type and amount of securities to be issued by reference to the previously filed "Notice of Financing Plan."
- 2.2.2.4 To the extent the securities to be issued differ in any way from the previously filed "Notice of Financing Plan," the information required in subsections 2.1, 2.1.1, 2.1.2, 2.1.3 and 2.1.4 must be provided at this time.

3.0 Formal Application for Approval

- 3.1 General Information (Where information is unavailable at the time of filing of the application, state the reason for such unavailability and supply estimates or explanatory material as appropriate.)
 - 3.1.1 Name and address of the applicant.
 - 3.1.2 Name and address of the applicant's attorney (if any).
 - 3.1.3 Ownership of the voting stock of the applicant.
 - 3.1.4 A detailed description of the securities to be issued.
 - 3.1.5 A detailed statement of the reason(s) for the securities issue including a description of new property to be constructed from the proceeds of such new issue.
 - 3.1.5.1 If the purpose of the new issue is to retire or reduce short-term debt, such as bank loans, provide a description of the purpose for which the short-term debt was incurred.
 - 3.1.5.2 If the purpose of the new issue is to refund a maturing issue of securities, include a description of the securities to be refunded.
 - 3.1.6 Provide a statement which sets forth the specific reasons why the type and amount of the proposed security issue was selected.
 - 3.1.7 A copy of the most recent SEC Form 10-K and 10-Q if the applicant is required to make such filings by the Securities and Exchange Commission.
 - 3.1.8 A copy of the registration statement or prospectus if the proposed new securities are to be registered.
 - 3.1.9 A copy of the Opinion of Counsel with respect to the legality of the proposed new issue.
 - 3.1.10 Copies of all documents relative to the proposed new issue such as loan agreements, supplemental indentures, note agreements, amended charter terms, etc.
- 3.2 Required Schedules to Be Completed
 - 3.2.1 Public Offerings of Common Stock. Complete Schedules 1, 2 and 3 as appropriate.
 - 3.2.2 Sales of Long-Term Debt. Complete Schedules 1, 2 and 3.
 - 3.2.3 Sales of Preferred Stock. Complete Schedules 1, 2 and 3.
 - 3.2.4 If more than 1 type of security issuance is included in the application, complete Schedules 1, 2 and 3 as appropriate.

4.0 Post-Closing Filing

- 4.1 General Information
 - 4.1.1 Not later than 30 days after closing, the regulated company shall file the general information required in Part III Formal Application for Approval which is unavailable at the time of filing.
 - 4.1.2 The Post-Closing Filing shall contain:
 - 4.1.2.1 The name and address of the regulated company.
 - 4.1.2.2 The name and address of the regulated company's attorney (if any).
- 4.2 Required Schedules to Be Filed
 - 4.2.1 Offering of Common Stock. Complete Schedule 4.
 - 4.2.2 Sales of Long-Term Debt. Complete Schedule 5.
 - 4.2.3 Sales of Preferred Stock. Complete Schedule 6.
 - 4.2.4 If more than 1 type of security issuance is included in the application, complete Schedules 4, 5 and 6 as appropriate.

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1.0 General

In order that the Commission be currently informed of the earnings level of the utilities and regulated companies subject to its jurisdiction, every public utility and regulated company classified as a major utility or regulated company (those with annual intra-state PSC jurisdictional revenues of \$1 million or more) shall file with the Commission the information contained in this Part E. The reports described in Part E will be based upon information recorded in accordance with the appropriate Federal Energy Regulatory Commission (FERC), Federal Communications Commission (FCC), Rural Electrification Administration (REA), and National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts as adopted and/or modified from time-to-time by this Commission.

2.0 Types of Reports Required

- 2.1 Monthly financial reports
- 2.2 Quarterly rate of return reports
- 2.3 Annual financial reports

3.0 Monthly Financial Reports

- 3.1 Monthly financial reports shall be filed with the Commission no later than 60 days following the end of the month. The December Monthly Report shall be filed no later than 90 days following the end of the month.
- 3.2 The format shall be similar to the June, 1984 monthly financial reports heretofore provided to the Commission staff but may be modified as long as the data required in the format described above is substantially provided in the modified format.
- 3.3 Any monthly report(s) conspicuously marked by the filing utility as confidential or proprietary will be treated as confidential and will not routinely be made available to anyone other than a Commissioner, Commission Staff Members and Agents (to include Commission Consultants and Counsel), or the Public Advocate or his Agents, except pursuant to a written request for such report(s) filed with the Commission and served upon the reporting utility. Fourteen days after service upon the utility of such a written request, the report(s) shall be deemed public record(s), unless the utility has produced a court order directing that such report(s) not be made public or has petitioned the Commission for an Order establishing the confidentiality of such report(s). In any proceeding to establish the confidentiality or propriety of such report(s), the burden of proof shall be upon the utility.

4.0 Quarterly Rate of Return Reports

- 4.1 Quarterly rate of return reports shall be filed with the Commission no later than 60 days following the end of the calendar quarter, except that the fourth quarter report may be filed within 120 days following the end of the calendar year.
- 4.2 The reporting period for the quarterly rate of return report shall be the 12 months ended each calendar quarter.
- 4.3 The quarterly rate of return report shall show the jurisdictional actual and/or adjusted rate base, earnings and overall rate of return based on the elements, methodology and allocation factors utilized in the most recent rate case or updated for more current financial data including pro forma adjustments.
- 4.4 The specific format of the quarterly rate of return report is to be devised by each utility, subject to the written approval of the Executive Director.
- 4.5 In the case of Delaware Electric Cooperative, the quarterly rate of return report shall also include a computation of Times Interest Earned Ratio (TIER).

5.0 Annual Financial Reports

- 5.1 Two copies of Annual financial reports shall be filed with the Commission no later than 120 days following the end of the calendar year.
- 5.2 Annual financial reports currently filed with federal jurisdictions such as FERC Form Nos. 1 and 2, FCC Form M, and REA Form 7 are a satisfactory format for reporting to the Commission.
- 5.3 In the case of water utilities, which do not file annual financial reports with federal jurisdictions, the Commission prescribed format attached hereto for major water utilities shall be used.

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5.4 Immediately upon publication of its annual report to stockholders for the period covered by the annual financial report, each major utility shall file 2 copies thereof with the Commission. If no annual report to stockholders is published, the Commission shall be so informed in writing.

6.0 Other Financial Reports

To the extent the utility issues Quarterly reports to stockholders or files 10Q and 10K Reports with the Securities and Exchange Commission, 2 copies of all such reports shall be contemporaneously provided to the Commission.

MAJOR UTILITIES

(Annual Intra-State PSC Jurisdictional Revenues of \$1 Million or More)

Electric

Delaware Electric Cooperative, Inc.
Delmarva Power & Light Company, d/b/a Conectiv Power Delivery

Gas

Chesapeake Utilities Corporation

Telephone

Verizon Delaware Inc.

Water

Artesian Water Company, Inc.
United Water Delaware Inc.

Part F - Annual Reporting Requirements - Small Utilities

EFFECTIVE JANUARY 1, 1986
BY ORDER NO. 2704

ANNUAL REPORT

FOR YEAR ENDED _____

COMPANY

ADDRESS

INDIVIDUAL FURNISHING INFORMATION

**TITLE 26 PUBLIC UTILITIES
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NAME _____

TITLE _____

ADDRESS _____

E-MAIL ADDRESS _____

TELEPHONE NO. _____

FACSIMILE NO. _____

The attached schedules are to reflect information recorded in accordance with the National Association of Regulatory Utility Commissioners' Uniform System of Accounts.

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

Effective: April 21, 1983

By Order No.: 2442

Dated: March 22, 1983

1.0 Petition to Place Rates into Effect

- 1.1 Any water utility with annual operating revenues of \$500,000 or more (Class "A") may Petition the Commission for permission to place increased rates into effect on less than 60 days notice as permitted in Section 304 of the Public Utilities Act, but must provide at least 30 days notice to the Commission.
- 1.2 Content of Petition – The Petition shall contain the following:
 - 1.2.1 A request to place rates into effect on less than 60 days notice;
 - 1.2.2 A statement indicating the dollar amount and percentage of the rate change;
 - 1.2.3 A statement indicating that the request for the rate change sought is based solely on increases or decreases in purchased water and/or electricity unit costs, which the Company has experienced within 18 months from the date of the last Commission Order establishing base rates for the Company which determined a fair rate of return, together with a statement that such increases or decreases were not considered in setting such base rates;
 - 1.2.4 A statement demonstrating that the proposed rate change, if it is a revenue increase, will not permit the utility to earn a return in excess of that allowed by the Commission in its last rate proceeding, and that the historical consumption units remain reasonably representative and appropriate.
- 1.3 Exhibits to Petition – The utility shall supply at least the following (in addition to completing the attached schedules):
 - 1.3.1 A proposed tariff and proof of revenue calculation reflecting the proposed revenue change;
 - 1.3.2 Schedules showing:
 - 1.3.2.1 Comparative Statement of Income as per the Company's last rate proceeding, at proposed rates and as per book for a 12-month period ending no more than 3 months prior to the filing of Petition; and
 - 1.3.2.2 Calculation of the estimated annual change (increase or decrease) of purchased water and/or electricity costs.
 - 1.3.3 For changes in electricity costs the utility shall make available to the Commission Staff for review, workpapers (which may be in the form of a computer print-out) which reprice for each power account the cost of electricity at the current rates based on consumption levels approved or implicit in the last general

rate proceeding. The repricing for each account shall show the applicable rate, billing period, number of days in billing period, customer service charge, billing demand, measured demand and usage.

- 1.3.4 For changes in purchased water costs, the utility shall provide workpapers showing the volume approved either expressly or by necessary implication in the last general rate proceeding including purchases for conjunctive use, repriced at current levels.
- 1.3.5 A bond, in proper form, without surety, subject to Commission requirement of surety thereon at any time prior to or after the effective date of the proposed increase in rates, to secure the refund of the annualized amount of any increases proposed, which are dependent upon or caused by temporary or under bond rates placed into effect by the supplier of purchased water or electricity. Such bond to be conditioned upon the immediate refund pursuant to Commission Order of the amount of any over-collection should the supplier's temporary or under bond rates be reduced.

2.0 Notice Requirement

Using the form of notice hereto attached, the utility shall provide at least 20 days notice to its customers of a hearing on its request for expedited rate relief by publishing such in the legal classified sections of 2 newspapers with local circulation in its service territory.

3.0 Hearing

The Commission will, at its earliest reasonable convenience, schedule a hearing on the utility's request for effective new tariffs. The Commission Staff shall review the utility's calculations, repricing the various expense items at current rates and advise the Commission if such have been accurately performed. If the Commission Staff advises the Commission that such repricing has been accurately performed, the Commission may, at its option, hear and review the utility's request for an expedited rate change at a regularly scheduled public meeting of the Commission. The burden of proof at such hearing shall be as set forth in 26 **Del.C.** §307.

4.0 Availability of Expedited Procedure

- 4.1 This regulation (Part G) shall be construed to require an application hereunder to reduce rates so as to flow through to customers the benefits of any reduction in purchased electricity cost or purchased water costs where such reduction would exceed by 3% or more the unit cost used in calculating the appropriate expense level in the utility's last completed base rate proceeding.
- 4.2 This regulation (Part G) shall not be used to increase rates unless the increase in purchased electricity or purchased water costs forming the basis for the proposed increase shall exceed a 3% increase over the unit cost for such expense used in the utility's last completed base rate proceeding.
- 4.3 This regulation (Part G) shall be available and petitions may be filed hereunder until October 1, 1984, and not thereafter except by written permission in the form of a Commission Order authorizing such filing.

5.0 Reports

Any utility using the procedures set forth in this regulation to increase rates on an expedited basis shall, not less than quarterly after such increase is effective, file a written report with the Commission demonstrating that the rate of return allowed in the last rate case on the rate base therein established has not been exceeded by reason of the increased rates since that proceeding. If, at any time, it appears that such return has been or may be exceeded, the utility shall immediately notify the Commission and propose a method for the reduction of its rates to terminate any over-recovery.

27 DE Reg. 117 (08/01/23)