

## About the Delaware Public Service Commission

The Delaware Public Service Commission (PSC) was established in 1949 to provide oversight of investor-owned public utilities in the state. The Commission works to ensure safe, reliable and reasonably priced **electric, natural gas, water, wastewater, telecommunications, and cable television services**. For those services that are moving toward competitive markets, the Commission makes rules to level the playing field, and resolves disputes between competing providers.

The Commission also serves the utility providers by establishing rates that consider their cost of providing services, environmental requirements, and other influences.

The PSC is made up of five part-time Commissioners, appointed by the Governor and confirmed by the Senate. The Commissioners are supported and assisted by a staff of full-time state employees. The Commission makes its decisions at formal meetings that are open to the public. Public hearings regarding rate changes, rulemaking, and complaints are conducted throughout the year.

In addition to regulatory oversight of investor-owned utilities, the Commission's engineering staff, through an agreement with the Federal Department of Transportation, inspects underground natural gas and propane system operators for compliance with and adherence to Federal Pipeline Safety Regulations.

### Areas of responsibility of the PSC include:

- Guiding the process for rate changes
- Conducting public hearings for rate changes and formal complaints
- Monitoring utility service and activity
- Resolving disputes
- Inspecting facilities

### Your Rights as a Consumer

The rules that a utility must follow in providing service to its customers and the rates it may charge for that service are contained in the utility's tariff. As a consumer, you should make certain that you understand your rights and responsibilities. If you have any questions, contact your utility or the Commission.

### Electric

The PSC regulates Delmarva Power, a public utility owned by Pepco Holdings, Inc.

In 1999, the General Assembly passed legislation restructuring the electric industry in Delaware. Prior to restructuring, the generation, transmission, and distribution of electric power by investor-owned utilities was fully regulated by the PSC. Currently the generation, and to some extent the transmission, of electric power became deregulated, leaving distribution services under the regulatory control of the PSC.

Delmarva customers have the right to shop for electric supply among certified electric suppliers. A list of the suppliers can be found on the PSC website.

### Natural Gas

Chesapeake Utilities and Delmarva Power are the two regulated natural gas providers in Delaware. The charge for natural gas distribution is determined in a rate proceeding; however, the rate the customer pays for the natural gas itself is determined in a separate proceeding to reflect the actual wholesale cost the utility pays to secure the gas it provides to customers. As a result of this process, rates for natural gas will ordinarily change at least once a year.

### Revenue Decoupling

Currently a utility's profits are tied to the amount of electric or natural gas it sells. Revenue decoupling is a way to separate the way a utility recovers its fixed costs from the amount of electricity or natural gas it sells. Decoupling allows the utility to support energy efficiency without having to sacrifice financial stability.

The Commission has already begun and will continue to conduct proceedings to determine the best way for Delmarva Power and Chesapeake to implement decoupling in way that is just and reasonable for ratepayers. More information on these proceedings can be found on the Commission's website.

### Water

Most aspects of water distribution, including the rates that can be charged, are regulated by the PSC; however, things such as the quality of the water are regulated by other state and federal agencies. Additionally if any water utility, including non-regulated water service providers, wishes to expand its service territory, it must apply for a Certificate of Public Convenience and Necessity (CPCN).

The water utilities regulated by the PSC are: Artesian Water Co., Brodtkin Beach Water Co., Cantwell Water Co., Long Neck Water Co., Pickering Beach Water Co., Prime Hook Water Co., Slaughter Beach Water Co., Southern Shores Water Co., Sussex Shores Water Co., Tidewater Utilities, United Water Delaware and Wilkerson Water Co.

### Wastewater

Legislation passed in June 2004 granted the PSC authority to regulate non-governmental wastewater systems servicing a total of fifty or more customers. This legislation authorizes the Commission to regulate these wastewater systems in a manner similar to the way in which water utilities are presently regulated.

The following utilities are among the wastewater systems regulated by the PSC: Artesian Wastewater Management, Inc., Chapel Green Homeowners Association, Excel Property Management, LLC, The Hamlet at Dirickson Pond, LLC, Inland Bays Preservation Co., Moore Grant Sanitation Inc., Oak Crest Farms, Tidewater Environmental Services, Inc., Wastewater Utilities, Inc., and YMG Corporation.

### Cable Television

Federal legislation permits the PSC to regulate rates for cable service and equipment, but *only* at the basic level. If the proposed rates for basic service are in compliance with the rules of the Federal Communications Commission (FCC), the PSC must approve them. Atlantic Broadband, Comcast Cablevision, Verizon, and Mediacom servicing the unincorporated areas of Delaware are all subject to Commission Regulation.

### Telecommunications

The role of the PSC in the regulation of telecommunications has changed dramatically since the passage of the federal Telecommunications Act of 1996, which opened local and long distance telephone service to competition. Today there are dozens of local and long distance telephone providers under the jurisdiction of the PSC and the FCC. The PSC does not determine rates, but it has implemented certification rules to ensure companies have the financial, managerial, and technical means to provide services in Delaware, and it requires surety and performance bonds to protect consumers when deposits or pre-payments are required. The PSC also acts as an arbitrator in interconnection disputes between local exchange carriers. *Wireless and cell phone services are outside the jurisdiction of the Commission.*

## Rate Proceedings

As a cost of providing utility services changes for the provider, the PSC provides a structure for considering rate changes. The structure allows for input from consumers and providers.

When a utility files for a change in its service rates, the Commission normally has 60 days in which to consider the proposed changes. If a significant increase is proposed, the rates are usually suspended and the case is assigned to a hearing examiner who will hold evidentiary hearings and make recommendations to the Commission. Delaware law presently allows a utility to impose a limited rate increase during the hearing process, which is subject to refund if the Commission finds it was not appropriate or justified.

Customers of the utility seeking the rate increase are urged to participate in the rate proceeding by attending the public comment session. At these sessions, you can express your concerns or bring to light issues regarding the quality of service you receive. The hearing examiner and the Commissioners give great consideration to the issues raised by a utility's customers. If you are unable to attend a public comment session, you may state your concerns in a letter or e-mail to the PSC.

You may also attend the technical, evidentiary hearings; however, the primary purpose of these hearings is the presentation and cross-examination of testimony by formal parties and there is generally not an opportunity for members of the public to speak.

Members of the public can participate as a formal party to a rate proceeding, but they must petition for status as an intervenor. Intervenorers are full parties with rights to present evidence and cross-examine witnesses, they are also subject to cross examination by other parties. Due to the legal and financial responsibilities of interveners, most individuals choose to present their views during the public comment sessions, or through the Division of the Public Advocate. The website for the Division of the Public Advocate is <http://publicadvocate.delaware.gov/>

Dates and times for all meetings and proceedings are posted on the PSC website at <http://depssc.delaware.gov>.

## If You Have a Complaint

**First Step** Any time you have a problem with the utility services you receive, you should first contact the utility directly. Most problems can be effectively handled by working directly with the utility company. Provide the Customer Service Representative with complete information so that he or she can best handle your problem quickly and effectively.

If your problem concerns a bill for services, it is very important that you contact the utility *immediately*. If you believe you have been overcharged, ask to have the charges investigated. *If there is a good faith dispute, your service cannot be terminated during the investigation.*

**Second Step** If the resolution to your problem or complaint offered by the company is unsatisfactory to you, or you believe it to be at odds with the company's agreed upon practices, contact the Commission for assistance. One of the PSC's complaint investigators will work as a liaison between you and the company to resolve any outstanding issues. If you are still not satisfied that your complaint has been addressed, you can file a formal complaint with the PSC. Fortunately, most complaints are resolved without a formal filing.

### Reporting Service Problems

It is important to contact the Commission if you are experiencing service problems. The information you provide is recorded and may be used in future proceedings involving the utility. It can also be used to identify trends that may result in a Commission investigation.

### Utility complaint?

Call: (302) 736-7500 or (800) 282-8574

File your informal complaint online at:  
<http://depssc.delaware.gov>



## Regulating Investor-Owned Utilities since 1949

**861 Silver Lake Boulevard  
Cannon Building, Suite 100  
Dover, DE 19901**

**Phone: (302) 736-7500  
Toll Free In-State: (800) 282-8574  
TDD: (302) 736-7500  
Fax: (302) 739-4849**

**<http://depssc.delaware.gov>**

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