

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

IN THE MATTER OF THE COMMISSION'S)
COMBINED CONSIDERATION OF THE)
UTILIZATION OF ADVANCED METERING)
TECHNOLOGIES UNDER 26 DEL. C.)
§ 1008b(1)b. AND THE IMPLEMENTATION) PSC REGULATION DOCKET NO. 57
OF THE FEDERAL STANDARDS FOR TIME-)
BASED METERING AND TIME-BASED)
RATE SCHEDULES UNDER 16 U.S.C.)
§§ 2621(d)(14) and 2625(i))
(OPENED MAY 9, 2006))

ORDER NO. 7129

WHEREAS, in May 2006 the Delaware Public Service Commission (the "Commission") opened this regulation docket to comply with state and federal requirements that it consider directing electric utilities subject to its jurisdiction to implement advanced metering technology, including time-based metering;¹ and

WHEREAS, the Commission appointed Senior Hearing Examiner William F. O'Brien to conduct the necessary proceedings and report his proposed findings and recommendations to the Commission; and

¹Advanced metering technology encourages "demand-response" by allowing retail customers to participate in time-based pricing schedules, and provides the utility with numerous operational improvements, such as remote meter reading capability, enhanced load data collection, and more efficient outage detection.

The "Delaware Electric Utility Retail Customer Supply Act of 2006" requires the Commission to evaluate the feasibility of requiring advanced metering, and the federal "Public Utility Regulatory Policies Act of 1978" ("PURPA"), as amended by the "Energy Policy Act of 2005," requires the Commission to consider adopting a new PURPA standard relating to time-based metering.

WHEREAS, the Division of the Public Advocate ("DPA") and the Delaware Electric Cooperative, Inc. ("DEC") intervened as parties in this docket;² and

WHEREAS, on August 29 and September 21, 2006, the Commission Staff, the DPA, and Delmarva Power & Light Company ("DP&L") conducted workshops to review national initiatives pertaining to advanced metering and to work toward developing a joint report for the Commission with recommendations for Delaware; and

WHEREAS, Staff, DPA, and DP&L submitted a Joint Report on November 16, 2006; and

WHEREAS, no written comments were submitted regarding the Joint Report; and

WHEREAS, on December 4, 2006, the Hearing Examiner conducted a duly-noticed public hearing at which representatives of the Staff, DPA, and DP&L introduced the Joint Report and presented witnesses to summarize its contents; and

WHEREAS, the Hearing Examiner issued proposed findings and recommendations on December 19, 2006, in which he recommended that the Commission:

- Find that upon consideration of the evidence in the case and the issuance of an Order selecting one of the options presented in the Joint Report, it will have satisfied the requirements of the state and federal requirements relating to advanced metering technology and time-based metering and communications;
- Decline to require DP&L or any other retail electric supplier subject to Commission jurisdiction to

²After DEC's membership voted for self-regulation in August 2006, DEC notified all parties of its intent to withdraw from participation in the case.

implement the new PURPA standard relating to time-based metering and communications at this time;

- Adopt Staff and DPA's recommendation to direct DP&L to conduct a smart-metering pilot program in Delaware, and to direct a working group to submit a pilot proposal by June 1, 2007 for implementation in the third quarter of 2007; and
- Accept Staff and DP&L's funding proposal for the pilot program.

WHEREAS, on January 23, 2007, the Commission met at its regularly-scheduled meeting to consider the Hearing Examiner's proposed findings and recommendations; and

WHEREAS, prior to our deliberations, DP&L Regional President Gary Stockbridge advised the Commission that DP&L intended to submit a comprehensive demand-side proposal in early February 2007 that would specifically address several of the issues that would otherwise be addressed in this docket regarding advanced metering technology and time-based rates; and

WHEREAS, Staff thereafter advised the Commission that in light of DP&L's intention to submit such a comprehensive proposal, it did not believe that the Commission should require DP&L to implement any pilot program as a result of this docket, and that all the Commission need do is vote on the first two of the Hearing Examiner's recommendations; and

WHEREAS, the DPA and DP&L concurred in Staff's suggested procedure; now, therefore, by the unanimous vote of the Commission,

IT IS HEREBY ORDERED:

1. That, pursuant to the state "Electric Utility Retail Customer Supply Act of 2006," we take no action at this time regarding the feasibility of requiring advanced metering.

2. That, pursuant to the federal "Public Utility Regulatory Policies Act of 1978," as amended by the "Energy Policy Act of 2005," we do not at this time adopt a new federal standard relating to time-based metering.

3. That Delmarva Power & Light Company shall not be required as a result of *this* Docket to implement a smart-metering pilot program in Delaware;³ *however*, the Commission expects that Delmarva Power & Light Company will be submitting a comprehensive proposal that will address issues such as the implementation in Delaware of advanced metering technology and time-based rates.

4. That the Commission reserves the jurisdiction and authority to enter such further Orders in this Docket as may be deemed necessary or appropriate.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Dallas Winslow
Commissioner

³Since we are not ordering Delmarva Power & Light Company to implement a pilot program as a result of this Docket, the Hearing Examiner's recommendation regarding the funding for the pilot program is moot.

PSC Regulation Docket No. 57, Order No. 7129 Cont'd.

/s/ Jaymes B. Lester
Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary