

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

IN THE MATTER OF THE INVESTIGATION            )  
INTO THE ADOPTION OF PROPOSED                )  
RULES AND REGULATIONS TO ACCOMPLISH        )  
INTEGRATED RESOURCE PLANNING FOR THE        ) PSC REGULATION DOCKET NO. 60  
PROVISION OF STANDARD OFFER SERVICE        )  
BY DELMARVA POWER & LIGHT COMPANY         )  
UNDER 26 DEL. C. § 1007(c) & (d)            )  
(OPENED AUGUST 21, 2007)                    )

**ORDER NO. 7318**

This 4<sup>th</sup> day of December, 2007, the Commission determines and Orders the following:

1. In Order No. 7263 (Aug. 21, 2007), the Commission opened this docket to consider promulgating rules that will govern Delmarva Power & Light Company's ("DP&L") development of integrated resource plans, or IRPs, for its Standard Offer Service ("SOS") customers, as authorized by the Electric Utility Retail Customer Supply Act of 2006 ("the Act").<sup>1</sup> Pursuant to that Order, the Commission Staff drafted proposed IRP rules after consulting with the parties in DP&L's ongoing IRP docket (PSC Dckt. No. 07-20) and with the three state agencies involved in DP&L's IRP process.<sup>2</sup> On November 14, 2007, Staff submitted a set of proposed rules entitled "Integrated Resource Planning Regulation."

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<sup>1</sup>See 26 Del. C. § 1007(c)(1)c. (as amended by 75 Del. Laws ch. 242 § 6 (2006)).

<sup>2</sup>Under 26 Del. C. 1007(c), DP&L files its IRP on a biennial basis with the Commission, the Delaware Energy Office, the Controller General, and the Director of the Office of Management and Budget.

2. By this Order, the Commission accepts Staff's draft rules and initiates the formal rule-making procedure dictated by the Administrative Procedures Act.<sup>3</sup>

Now, therefore, **IT IS ORDERED:**

1. That, for the reasons set forth in the body of this Order, and pursuant to 26 Del. C. § 1007(c)(1)c and 29 Del. C. § 10115, the Commission promulgates a proposed Integrated Resource Planning Regulation, a copy of which is appended as Exhibit "A" to this Order.

2. That, pursuant to 29 Del. C. §§ 1133 and 10115(a), the Secretary shall transmit to the Registrar of Regulations for publication in the Delaware Register of Regulations a copy of this Order and a copy of the "Integrated Resource Planning Regulation" now being proposed for adoption (Exhibit "A").

3. That, in addition, the Secretary shall transmit the Notice of Proposed Rule-Making, attached as Exhibit "B," to the Registrar of Regulations for publication in the Delaware Register of Regulations. The Secretary also shall cause such Notice of Proposed Rule-Making to be published in The News Journal and the Delaware State News newspapers on December 19, 2007. The Secretary shall include proof of such publication in the docket file before the public hearing in this matter. Further, the Secretary shall serve (by regular mail or by electronic e-mail) a copy of such Notice on the service list already established in this docket and each person or entity who has made a timely request for advance notice of regulation-making proceedings.

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<sup>3</sup>See 29 Del. C. § 10111, et seq.

4. That, pursuant to 29 Del. C. §§ 10115(a) and 10116, persons or entities may file written comments, suggestions, compilations of data, briefs, or other written materials, on or before February 1, 2008. Pursuant to 29 Del. C. § 10117, the Commission will conduct a public hearing on the proposed "Integrated Resource Planning Regulation" on Wednesday, March 12, 2008 beginning at 10:00 AM at the Commission's office at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware.

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

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae  
Chair

/s/ Joann T. Conaway  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

/s/ Dallas Winslow  
Commissioner

/s/ Jeffrey J. Clark  
Commissioner

ATTEST:

/s/ Karen J. Nickerson  
Secretary

**EXHIBIT “A”**

**State of Delaware**

**Delaware Public Service Commission**

**Integrated Resource Planning Regulation**

**November 14, 2007**

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## 1.0 General

- 1.1. The Reliability of electric service and the security of energy supply are of great importance to the Delaware Public Service Commission (“Commission”), because they are essential services to the citizens of Delaware. This regulation, in support of 26 Del. C. §1007, sets forth the minimum Delmarva Power and Light (“DP&L” or “Company”) Integrated Resource Plan (“IRP” or “the Plan”) requirements needed to ensure a cost effective, price stable, reliable, efficient and environmentally sound energy supply for all Standard Offer Service (“SOS”) customers.
- 1.2. Nothing in this regulation relieves DP&L from compliance with any requirement set forth under any other regulation, statute, or order. Compliance with this regulation meets the minimum IRP requirements. Compliance with this regulation does not imply plan approval or automatic cost recovery.
- 1.3. In accord with 26 Del. C. §1007, DP&L, as the Standard Offer Service Supplier, shall file an IRP on December 1<sup>st</sup>, 2006 and on the anniversary date of the first filing date every other year thereafter (i.e. 2008, 2010 et seq.). The Company may request and the Commission may change the filing date for good cause shown. These regulations will apply to all IRPs filed pursuant to 26 Del. C. §1007. These regulations shall not apply to an IRP docket opened prior to the effective date of these regulations.
- 1.4. The IRP will be filed in compliance with normal Commission policies and practices.
- 1.5. The plan shall identify the year of the filing, the individuals responsible for its preparation and those individuals who shall be available to respond to inquires during the Commission’s review of the plan.
- 1.6. Because an IRP may contain business sensitive information, the Company may request that information, required under this regulation, be classified as confidential, proprietary and/or privileged material. The Company must attest that such information is not subject to inspection by the public or other parties without execution of an appropriate proprietary agreement. In requesting such treatment of information the Company is also obligated to file an additional copy of the information, excluding the confidential or proprietary information. The Commission, in accordance with Rule 11, Rules of Practice and Procedure of the Delaware Public Service Commission, effective May 10, 1999, will treat such information as “confidential, not for public release” upon receipt of a properly filed request. Any dispute over the confidential treatment of information shall be resolved by the Commission, designated Presiding Officer or Hearing Examiner. Confidential utility documents shall be presented under separate seal.
- 1.7. Commission Acknowledgement of a filed IRP implies only that the plan, as put forth, does not appear to be unreasonable to the Commission at the time the acknowledgement is given. The acknowledgement of an IRP does not confer or imply Commission approval. Any specific ratemaking treatment for the plan or any portions thereof is neither directly nor indirectly guaranteed by virtue of the acknowledgement.
- 1.8. The utility shall provide whatever detail and commentary are necessary to demonstrate that it has met or exceeded the planning requirements as set forth in this regulation. An effort shall be made to ensure that the IRP is clearly stated and can be readily comprehended by the Commission, State Agencies, and other interested parties. The IRP must include an Executive Summary
- 1.9. Compliance with this regulation is a minimum standard for IRPs. The Company needs to exercise its professional judgment based on its systems and customer needs. The Company shall include all information that assists the reader to fully understand the IRP concept and the Company’s plans to meet SOS energy needs.
- 1.10. This regulation requires the maintenance and retention of supply resource planning data and the reporting of plan achievements on an annual basis starting in 2009 to the Commission, Governor and General

Assembly. The Company shall retain such data, consistent with Federal data retention guidelines and make it available for further review as necessary

- 1.11. The Company shall submit a total of 14 copies of its IRP - eight (8) copies to the Commission, two (2) copies to the Controller General's office, two (2) copies to the Office of Management and Budget, and two (2) copies to the Energy Office. The Commission may request up to six (6) additional copies of combined and common filings as may be necessary for review.
- 1.12. These Integrated Resource Planning Regulations shall be effective for IRP dockets opened after the effective date of these regulations through December 1, 2014 and may be reviewed, revised, or extended as necessary to ensure continued compliance with 26 Del. C. §1007 and to ensure adequate SOS energy supply.
- 1.13. Failure of the Company to file an IRP or to provide progress reports as required may subject the Company to the penalty and remedial provisions of Delaware statute (26 Del. C. §1019).

## 2.0 Definitions

The following words and terms, as used in these regulations, shall have the following meanings, unless the context clearly indicates otherwise.

**“Brownfield” or “Industrial site”** means a [site](#) that has been previously used for [industry](#) and may be [contaminated](#), or need environmental remediation for continued use or redevelopment.

**"Commission"** means the Delaware Public Service Commission.

**“Commission Acknowledgement”** means that the IRP as put forth does not appear to be unreasonable.

**"Conservation"** means any reduction in electric power consumption that results from improved efficiency, avoidance of waste, reduced consumption, or other energy usage reductions that may result from installing new equipment, modifying existing equipment to improve efficiency, adding insulation or changing behavior patterns.

**“Demand-Side Management (“DSM”)”** means cost effective energy efficiency programs that are designed to reduce customers' electricity consumption, especially during peak periods.<sup>4</sup>

**“DNREC”** means the Department of Natural Resources and Environmental Control

**"DP&L" or “Company”** means Delmarva Power & Light Company, Inc. or its successor organizations.

**“Environmental Benefit”** means the positive environmental impact of environmental services, practices or other ecological influences attained by specific actions, minus the negative environmental impacts caused by those actions as determined by DNREC.

**“Fuel Diversity”** means the utilization of resources to supply energy to SOS customers that are procured in such a way as to diminish the risk of adverse changes in fuel prices for electric generation, either through a mix of electric generating resources that utilize a variety of fuel sources, fuel hedges, distributed and renewable

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<sup>4</sup> 26 Del. C. §1001 (5)

resources, application of appropriate risk management practices, DSM or a combination of these activities and assets.

**“Generation Attributes”** means non-price characteristics of the electrical energy output of a Generation Unit including, but not limited to, the Units fuel type, geographical location, emissions, vintage and RPS eligibility.

**“Implementation Plan”** means an action plan which outlines the short and long term planned actions of the Company to secure necessary supply, demand, transmission and other appropriate resources as further described in the Integrated Resource Plan.

**“Integrated Resource Plan (IRP)”** means the planning process of an Electric Distribution Company that systematically evaluates all available options, including but not limited to: generation, Supply Contracts, transmission and Demand-Side Management programs, during the planning period to ensure that the electric distribution Company acquires sufficient and reliable resources over time that meet their customers’ needs at a minimal cost.<sup>5</sup>

**“Integrated Resource Evaluation”** means a process within the IRP that considers and compares supply- and demand-side resources to select a final resource mix.

**“Load Forecast”** means the estimated future annual electricity use, commonly measured as peak summer and winter demands, and used to help electric utilities make resource allocation decisions.

**“New or Innovative Baseload Technologies”** means energy resources using new technologies to generate energy on a typical round the clock basis.

**“PJM Interconnection, L.L.C. (‘PJM’)**” means the Regional Transmission Organization or successor organization that is responsible for wholesale energy markets and the interstate transmission of energy throughout a multi-state operating area that includes Delaware.

**“Portfolio”** or **“Resource Portfolio”** means the combination of physical assets (e.g. electric generating and transmission assets), financial products (e.g. Supply Contracts for energy and related services), market resources (e.g. spot market energy purchases), DSM and energy efficiency programs, and distributed and renewable resources that the Electric Distribution Company uses to satisfy current and future energy procurement requirements for SOS customers, while managing the risk of adverse price changes to SOS customers.

**“Plan Objectives”** mean the targets or goals of an IRP plan needed to measure the impact and/or success of the plans actions. Such goals or targets must be definitive, measurable and verifiable. Refer to 1.1 for IRP objectives.

**“Price Stability”** means the variation in the real price paid by SOS customers over the planning period.

**“Reliability”** means the degree of performance of the elements of the bulk electric system that results in electricity being delivered to customers within accepted standards and in the amount desired. Reliability may be measured by the frequency, duration, and magnitude of adverse effects on the electric supply. Electric system Reliability can be addressed by considering two basic and functional aspects of the electric system – Adequacy and Security.

Adequacy is the ability of the electric system to supply the aggregate electrical demand and energy requirements of customers at all times, taking into account scheduled and reasonably expected unscheduled outages of system elements.

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<sup>5</sup> 26 Del. C. §1001.(13)

Security is the ability of the electric system to withstand sudden disturbances such as electric short circuits or unanticipated loss of system elements.<sup>6</sup>

As applied to distribution facilities, Reliability is further described as the degree to which safe, proper and adequate electric service is supplied to customers without interruption.

**“Resource Portfolio”** see **“Portfolio”**

**“Retail Competition”** means the right of a customer to purchase electricity from an Electric Supplier.

**“Standard Offer Service (“SOS”)**” means the provision of electric supply service by a Standard Offer Service Supplier to customers who do not otherwise receive electric supply service from an electric supplier.

**“Standard Offer Service Supplier”** means the electric distribution company serving within its certificated service territory.

**“Supply Contracts”** means short or long term power procurement contracts as may be negotiated and agreed upon to meet defined requirements, more specifically for Delaware’s Standard Offer Service customers.

**“Transmission Service”** means the delivery of electricity from supply sources through transmission facilities to distribution system interconnection points.

**“Scenario Analysis”** means a component of integrated resource planning that analyzes and assigns probabilities to a variety of possible future conditions and the options available to deal with them. Its primary purpose is to facilitate better resource planning decisions by assessing and quantifying the economic and other risks related to a particular decision.

**“Wholesale Electricity Market”** means the various PJM markets in which the purchase and sale of electric energy, capacity, and ancillary services from generators to resellers/wholesale suppliers (who sell to retail customers) takes place at the transmission level.

### 3.0 General Requirements

3.1 Consistent with the requirements of 26 Del. C. §1007 and these regulations, the Company shall file an IRP every two years, starting on December 1 of the first even-numbered year after the effective date of these regulations, that adheres to the following general principals:

3.1.1 The IRP shall provide a framework for comparing a comprehensive resource mix of supply- and demand-side and Transmission Service resource costs and attributes.

3.1.2. The IRP shall utilize a Resource Portfolio in achieving the objectives of the IRP, shall incorporate a Portfolio approach to securing resources and incorporating an analysis of risk versus certainty into the planning process, or absent such a Portfolio approach, the rationale supporting the exclusion.

3.1.3. The IRP process shall provide for regulatory, stakeholder and public input to the formulation of the IRP.

3.1.4. The IRP shall include provisions for the IRP to be modified from time to time, as may be necessary to conform with any subsequent legislative or regulatory directives.

3.2 The IRP shall include the following minimum requirements:

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<sup>6</sup> NERC definition - NERC’s Reliability Assessment 2001–2010, dated October 16, 2001.

- 3.2.1. An executive summary with a short description of the utility, its customers, service territory, current facilities and planning objectives, Load Forecast, recommended Resource Portfolio and action plan.
- 3.2.2. Established Plan Objectives in quantitative and qualitative terms by which the plan achievements may be measure and shall not be biased against any particular resource option. . Measures must be ascribed to each objective. The Company must include a summary of the overall process, and models used in developing the IRP.
- 3.2.3. A description of the demand and energy forecast, the assumptions used or implicit in creating the forecast, the range of forecast examined, and the forecast selected for the filing period.
- 3.2.4. A listing of all the resource options considered to meet the demand and energy forecast, identification of those chosen for further evaluation and possible inclusion in the plan, and a discussion of the rationale for such selections including any key assumptions. This planning information shall include a full 10-year planning horizon, starting with the year immediately following the filing year (i.e. filing year of 2010 shall include planning information for years 2011 through 2020).
- 3.2.5. A description of the process or Scenario Analysis used to integrate the demand and supply options into a single resource plan or individual scenario for further review and analysis, to include a listing of the various scenarios considered and any key assumptions.
- 3.2.6. A description of the process used to develop the recommended IRP, including the assumptions and analysis leading up to the decision and the application of the valuation criteria as specified in 26 Del. C. §1007 (c)(1)a. and b.
- 3.2.7. An analysis of the risk and sensitivity of the recommended IRP in comparison to other options also considered.
- 3.2.8. Planning information for a 10 year planning horizon, starting with the year immediately following the filing year (i.e. filing year of 2010 shall include planning information for years 2011 through 2020).
- 3.2.9. Action plans for implementation of the IRP, for no less than five (5) years, starting with the year immediately following the filing year.

#### **4.0 Load Forecast**

- 4.1 The Company shall consider a range of load growth forecasts that includes both historical data and future estimates. Load forecasts shall include both winter and summer peak demand for total Delmarva Delaware load and Delmarva Delaware SOS load by customer class, assuming a status quo for any programs which may impact forecast load estimates. Load estimates shall be weather adjusted, including consideration of climate change potential. Load Forecast shall include the following:
  - 4.1.1 Five (5) year historical loads, current year-end estimate and ten (10) year forecast showing individually and aggregated Delmarva Delaware and Delmarva Delaware SOS load, and both

Delmarva Delaware and Delmarva Delaware SOS load disaggregated by customer classes, including both capacity (kW) and energy requirements (kWh).

- 4.1.2 Analyses of how existing and forecast Conservation, load management, various economic and demographic factors, including the prices of electricity and alternative energy sources, will affect the consumption of electric services, and how customer choice under Retail Competition of utility service may affect future loads.
- 4.1.3 Description of the process the company used to develop these forecasts. Forecasts shall include the probability of occurrence. Within the forecasting modeling descriptions the Company shall demonstrate how well its model predicted past load data for the prior five (5) years.

## 5.0 Resource Options

- 5.1 The Company shall include a description of the overall process and the analytical techniques it used to identify its proposed resource options. The Company shall not rely exclusively on any particular resource or purchase procurement process.
- 5.2 The Company shall identify and evaluate all reasonable Supply Contracts, both short- and long-term procurement or demand side management strategies, even if a particular strategy is ultimately not recommended by the Company. The IRP must show an investigation of all reasonable opportunities for a more diverse supply at the lowest reasonable cost. It shall contain a description of each option and an evaluation that considers the economic and environmental value of the following:
  - 5.2.1 Resources that utilize New or Innovative Baseload Technologies;
  - 5.2.2 Resources that provide short or long term Environmental Benefits to the citizens of this State;
  - 5.2.3 Facilities that have existing fuel and transmission infrastructure
  - 5.2.4 Facilities that utilize existing brownfield or industrial sites;
  - 5.2.5 Resources that promote Fuel Diversity;
  - 5.2.6 Resources or facilities that support or improve Reliability; or
  - 5.2.7. Resources that encourage Price Stability
- 5.3 The Company shall provide a description of the resource options recommended for inclusion in the proposed plan, including a description of the mechanism or process used for valuing each option. Such valuation shall also include consideration for the life expectancy of the resource, if the resource provides capacity and/or energy, any improvements to system Reliability, the dispatchability of the source, any lead time requirements, the flexibility of the resource, the Generation Attributes of the resource, the efficiency of the resource, and the opportunities for customers' participation. The valuation shall assess the probability of securing the resource options according to modeling information used, including any key assumptions. The Company shall provide the estimated energy and demand impacts for each resource option and the rationale behind the estimate.
- 5.4 Where Transmission Service is identified as a planning option, the Company shall describe the transmission enhancement, the location, and provide PJM's assessment of the impact of the proposed transmission asset.
- 5.5 At least 30 percent of the resource mix shall be acquired through the regional Wholesale Electricity Market via a bid procurement or auction process held by DP&L. (Docket No. 04-391)
- 5.6 The Company shall also include discussion of known plans to reduce existing physical, contractual or service related Portfolio resources during the IRP planning period.

5.7 The Company shall evaluate all demand-side, technically feasible, and cost effective improvements in the efficient use of electricity, including load management, Conservation, and energy efficiency programs. Where non-Company evaluations are available, the Company shall summarize the results and actions taken. Where demand-side programs are new, the Company shall summarize the anticipated benefits with respect to load reductions and provide supporting material to justify the new program.

5.8 The Company shall assess the resource options against the set of Plan Objectives and criteria.

## **6.0 Plan Development**

6.1 The Company shall conduct an Integrated Resource Evaluation in formulating its potential plans for supply and demand-side resource scenarios. The Company shall describe the mechanism or process by which the Load Forecast and resource options have been blended into the various IRP scenarios. In integrating its supply and demand-side resources, the Company shall:

6.1.1 The IRP shall provide a discussion of how the Company might alter the recommended plan in the future if the key planning assumptions used to develop the recommended plan in the future if the key planning assumptions used to develop the recommended plan turn out to be different than what was assumed in preparing the recommended plan.

6.1.2 Evaluate the cost-effectiveness of the resource options from the perspectives of the utility and the different classes of ratepayers.

6.1.3 Estimate a range of external costs which may be intangible, in order to show how explicit consideration of them might affect selection of resource options. The utility shall attempt to quantify the magnitude of the externalities, for example, in terms of the amount of emissions released and dollar estimates of the costs of such externalities.

6.1.4 Evaluate the financial, competitive, Reliability, and operational risks associated with the resource options recommended by the IRP and how these risks may be mitigated over the 10 year planning period. Each candidate plan shall include a discussion of the likelihood of the occurrence of such risks.

6.1.5 For the options included in the proposed plan identified in the IRP, the IRP shall include an analysis of the fuel risk associated with the proposed Resource Portfolio and how such fuel risk will be mitigated when the proposed plan is implemented.

6.1.6 Perform sensitivity analyses on each of the candidate plans to include variations in key assumptions and to assess the likelihood of planned outcomes.

6.2 In developing candidate plans, special attention shall be given to ensuring consistency between the IRP and typical rate making processes. While the ultimate consumer price associated with the plan is important, the stability of rates and other factors as described in Section 5.2 need to be considered in any candidate plan selection.

## **7.0 Proposed Plan Selection.**

7.1 The Company shall select and file the candidate IRP which it believes is the most consistent with the criteria set forth in 26 Del. C. § 1007. The Company shall describe the rationale behind its selection, including any modeling or methodology used as the basis for selection of the proposed plan.

- 7.2 In filing the preferred IRP, the Company shall provide at a minimum a five (5) year forecast of supply rates by customer class that would be anticipated based on the IRP planning assumptions and recommended procurement strategy.

## **8.0 Implementation Plan**

- 8.1 As part of the IRP, the Company shall file an action plan needed to implement the IRP. Such plan shall be a five (5) year action plan outlining the resource decisions intended to implement the IRP. The action plan shall include:
  - 8.1.1 Actions to be taken in the first two (2) years and outline actions anticipated in the last three (3) years.
  - 8.1.2 For IRP's filed on or after December 1, 2010, a status report of the specific actions contained in the previous action plan, including what risk assumptions were made and what actually occurred.
  - 8.1.3 Schedule of key activities related to the plan implementation.

## **9.0 Review and Comment**

- 9.1 As part of the process commencing in 2009 and continuing on an annual basis, the Company shall submit a report to the Commission, the Governor and the General Assembly detailing their progress in implementing their IRPs.
- 9.2 The Commission, interested State Agencies, interested parties and the general public shall be provided an opportunity for review and comment on the Company's IRP filings.
- 9.3 Subsequent to the IRP filing and public comment, the Commission and interested State Agencies may acknowledge the filing of the Company's IRP and its compliance with these regulations. Acknowledgement that the IRP complies with the statute, these rules and does not appear to be unreasonable, will not guarantee a particular ratemaking treatment of future resource acquisitions. To the extent that the Commission determines that the IRP is not compliant with the statute or is unlikely to meet the goals of the statute, the Company shall revise its IRP to meet these requirements. Rate treatment will be addressed in rate or other proceedings as filed by the utility or as initiated by the Commission.
- 9.4 The Integrated Resource Plan may be used as a factor in rate cases to evaluate the performance of the utility. Reports provided under this regulation are subject to annual review and audit by the Commission and interested State Agencies. The Company must maintain sufficient records to permit a review and confirmation of material contained in all required reports.

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E X H I B I T "B"

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE INVESTIGATION )  
INTO THE ADOPTION OF PROPOSED )  
RULES AND REGULATIONS TO ACCOMPLISH )  
INTEGRATED RESOURCE PLANNING FOR THE ) PSC REGULATION DOCKET NO. 60  
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BY DELMARVA POWER & LIGHT COMPANY )  
UNDER 26 DEL. C. § 1007(c) & (d) )  
(OPENED AUGUST 21, 2007) )

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**NOTICE OF PROPOSED RULE-MAKING TO ADOPT  
AN "INTEGRATED RESOURCE PLANNING REGULATION"**

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**TO: ALL STANDARD OFFER SERVICE RETAIL CUSTOMERS OF DELMARVA  
POWER & LIGHT COMPANY AND OTHER INTERESTED PERSONS**

In 2006, the General Assembly and Governor enacted the "Electric Utility Retail Customer Supply Act," 75 Del. Laws. Ch. 242 § 6 (Apr. 6, 2006). The Act required Delmarva Power & Light Company ("DP&L") to submit an Integrated Resource Plan ("IRP") with the Public Service Commission ("the Commission"), the Controller General, the Director of the Office of Management and Budget, and the State Energy Office (collectively "the State Agencies"). The IRP is a document that reflects the end result of an integrated resource planning process by DP&L during which it has systematically evaluated all actions or options for procuring, creating, or load-managing electric supply to meet, at minimal cost, the needs of its Standard Offer

Service ("SOS") retail customers over a ten-year planning period. DP&L filed its initial IRP with the State Agencies on December 1, 2006.

The Commission now proposes an "Integrated Resource Planning Regulation" to govern DP&L's IRP process pursuant to the Act. You can review the proposed regulation at the Commission's office in Dover at the address below or at the Commission's Internet website located at <http://dep.sc.delaware.gov>, under PSC Order No. 7318. If you wish to submit comments on the proposed regulation, you must file such comments with the Commission on or before **Tuesday, February 1, 2008**.

A Commission Hearing Examiner will conduct an Evidentiary Hearing to consider the proposed regulation and to receive comment and evidence concerning it on **Wednesday, March 12, 2008** at 10:00 a.m. at the address for the Commission listed below. The Commission will make its decision to adopt, reject, or adopt with modification, the proposed IRP regulation on the basis of the evidence and information presented of record in this docket. The Commission is authorized to make rules to accomplish the development of IRPs by DP&L under 26 Del. C. § 1007(c)(1)c.

You should file written comments with the Commission at the following address:

Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building, Suite 100  
Dover, Delaware 19904  
Attn: PSC Reg. Dckt. No. 60

If you have questions about this proceeding, you can contact the Commission at 1-800-282-8574 (in Delaware only) or (302) 736-7500

(text telephone available). You can also send inquiries by Internet e-mail addressed to [pamela.knotts@state.de.us](mailto:pamela.knotts@state.de.us). If you are disabled and need assistance to be able to participate, please contact the Commission to make arrangements for such assistance.