

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

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY FOR)
APPROVAL OF LAND-BASED WIND CONTRACTS) PSC DOCKET NO. 08-205
AS A SUPPLY SOURCE FOR STANDARD OFFER)
SERVICE CUSTOMERS)
(FILED JULY 28, 2008))

ORDER NO. 7426

This 19th day of August, 2008, the Commission determines and Orders the following:

1. On July 28, 2008, Delmarva Power & Light Company ("DP&L") filed an application with the Public Service Commission, pursuant to 26 Del. C. § 1007(b), for approval of three contracts for land-based wind power to serve its standard offer service ("SOS") customers. Under § 1007(b), DP&L has the ability, among other things, to enter into contracts for the procurement of power necessary to serve its SOS customers. In order to take such action, however, DP&L must either file an application with the Commission or have such action approved as part of its § 1007(c) integrated resource plan. If DP&L chooses to apply for approval under § 1007(b), as it has done here, then the Commission must hold an evidentiary hearing on the request and approve the request if it finds that "such action is in the public interest." Section 1007(b). The three contracts, which are attached to DP&L's application, are for up to 40 MW of energy, up to 60 MW of energy, and up to 70 MW of energy, and will include the associated Renewable Energy Credits ("RECs").

2. In its application, DP&L requests an expedited process. As grounds, it states that it intends for the contracts to contribute to meeting its REC obligations as early as 2009. Accordingly, DP&L recently moved the Commission, in PSC Docket No. 04-391, to modify its SOS procurement process to remove the requirement on wholesale suppliers to provide Delaware RECs in their bid products. Therefore, because of the importance of the contracts to the SOS supply beginning June 1, 2009, and the need to capture the wind contracts' REC benefits as part of the SOS procurement process, DP&L seeks expeditious review of its application.

3. Commission Staff supports DP&L's request for an expedited procedure and recommends the following schedule:

Friday, Sept. 12, 2008	Deadline for intervention petitions;
Wednesday, Sept. 17, 2008	Staff files a Report with recommendations; parties and interested persons submit written comments and any objections to intervention petitions;
Monday, Sept. 22, 2008	Staff and parties circulate discovery requests and identify issue areas for discussion at Sept. 24 discovery conference;
Wednesday, Sept. 24 2008, 10:00 AM, Dover PSC Office (and by teleconference)	Hearing Examiner conducts discovery conference at which parties exchange, or agree upon, a schedule for exchanging requested information;
Wednesday, Oct. 1, 2008	Parties respond to Sept. 17 Staff Report and other comments;
Tuesday, Oct. 7, 2008	Evidentiary Hearing before Commission at regularly scheduled meeting in Dover.

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

1. That the Commission hereby initiates this docket to review Delmarva Power & Light Company's July 28, 2008 application for approval of three land-based wind contracts, pursuant to 26 Del. C. § 1007(b).

2. That the Commission accepts Staff's recommended procedural schedule, as set forth above.

3. That Delmarva Power & Light Company shall publish the form of notice attached hereto as Exhibit "A" in the following newspapers, on the designated dates, in two-column format outlined in black:

Monday, August 25, 2008 (The News Journal)

Tuesday, August 26, 2008 (Delaware State News)

Delmarva Power & Light Company shall file proof of such publication on or before October 1, 2008.

4. That the Secretary of the Commission shall: (a) post the attached form of notice on the Commission's Internet website under an appropriate heading; and (b) deliver the attached form of notice by Internet e-mail to each participant on the service list in PSC Docket No. 06-241. The Staff shall also promptly post copies of the three proposed contracts submitted on July 28, 2008, to the Commission's Internet website.

5. That, pursuant to 26 Del. C. § 502, Senior Hearing Examiner Ruth Price is designated to facilitate the proceeding and maintain a service list of parties and interested persons. Senior Hearing Examiner Price shall promptly circulate all intervention petitions received to all those who petitioned for intervention, as well as to

Commission Staff and Delmarva Power & Light Company. Any intervention petition not challenged by September 17, 2008, shall be deemed approved. Senior Hearing Examiner Price is delegated the authority to grant or deny any disputed intervention petitions. Ms. Price shall also conduct the September 22, 2008 discovery conference and rule on any discovery disputes that may arise.

6. That James McC. Geddes, Esquire, is designated Staff Counsel for this matter.

7. That Delmarva Power & Light Company is hereby notified that it will be charged the costs of this proceeding under 26 Del. C. § 114(b).

8. That 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

Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Dallas Winslow
Commissioner

PSC Docket No. 08-205, Order No. 7426 Cont'd.

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary

E X H I B I T "A"

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY FOR)
APPROVAL OF LAND-BASED WIND CONTRACTS) PSC DOCKET NO. 08-205
AS A SUPPLY SOURCE FOR STANDARD OFFER)
SERVICE CUSTOMERS)
(FILED JULY 28, 2008))

**PUBLIC NOTICE OF COMMENT PERIOD AND EVIDENTIARY HEARING
REGARDING APPLICATION OF DELMARVA POWER & LIGHT COMPANY
FOR APPROVAL OF THREE CONTRACTS FOR LAND-BASED WIND POWER
TO SERVE ITS STANDARD OFFER SERVICE CUSTOMERS**

On July 28, 2008, Delmarva Power & Light Company ("DP&L") filed an application with the Public Service Commission, pursuant to 26 Del. C. § 1007(b), for approval of three contracts for land-based wind power to serve its standard offer service ("SOS") customers. In accordance with § 1007(b), the Commission will conduct a public evidentiary hearing on the application on Tuesday, October 7, 2008 at 1:00 PM at the Commission's office at the address set forth below. The Commission will approve one or more of the proposed contracts if it finds that "such action is in the public interest." Section 1007(b). The three contracts are for up to 40 MW of energy, up to 60 MW of energy, and up to 70 MW of energy, and will include the associated Renewable Energy Credits ("RECs").

The Commission now solicits written comments regarding the three contracts and on the question of whether Commission approval would be

in the public interest. If you wish to participate in the proceeding, you should review PSC Order No. 7426 (Aug. 19, 2008) for the procedural schedule. That Order is available on the Commission's Internet website at dep.sc.delaware.gov. Copies of the three proposed contracts are also posted on the Commission's website.

Comments must be filed, and served, on or before September 17, 2008 as follows:

Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904
Attn: PSC Dckt. No. 08-205
karen.nickerson@state.de.us

Todd L. Goodman, Esq.
Delmarva Power & Light Company
800 King Street
Post Office Box 231
Wilmington, DE 19899
Attn: PSC Dckt. No. 08-205
todd.goodman@pepcoholdings.com

You must file 10 copies of written comments with the Commission and serve another copy by mail on DP&L. As an alternative, you may file and serve your comments electronically as an attachment to an Internet e-mail, followed by the filing and service of a single paper copy with the Commission and DP&L.

You may also ask to be allowed to intervene as a party in the matter. To do so, you must file a petition to intervene under Rule 21 of the Commission's Rules of Practice and Procedure. That petition must be filed with the Commission on or before September 12, 2007.

You can contact the PSC about this matter at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (text telephone also) or you may send questions by e-mail to janis.dillard@state.de.us. If you are disabled and need assistance in participating in this matter, please contact the PSC to discuss such assistance.