

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

IN THE MATTER OF THE APPLICATION OF        )  
DELMARVA POWER & LIGHT COMPANY        )  
FOR EXPEDITED APPROVAL TO ISSUE        )       PSC DOCKET NO. 08-335  
UP TO \$250 MILLION OF DEBT SECURITIES   )  
(FILED OCTOBER 17, 2008)                )

**ORDER NO. 7487**

**AND NOW**, to-wit, this 21<sup>st</sup> day of November, 2008, the Applicant, Delmarva Power & Light Company ("Delmarva" or the "Applicant") having on October 17, 2008, filed an application pursuant to *26 Del. C. § 215* seeking to have the Commission approve the issuance of up to \$250 million of first-term mortgage debt securities; and

**WHEREAS**, the Commission having examined the filed application and having made such investigation in connection therewith as deemed necessary under the circumstances; and

**WHEREAS**, the Commission having found the proposal of Applicant to issue the debt securities to be in accordance with law, for a proper purpose, and consistent with the public interest; and

**WHEREAS**, the Commission has previously entered, on the 5<sup>th</sup> day of November, 2008, an Order granting the Application but reserving certain conditions, which the Applicant has agreed to in connection with the issuance of that Order;

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

1. That the Application of Delmarva Power & Light Company filed with the Commission in this matter on October 17, 2008, is approved effective November 5, 2008.

2. That Delmarva Power & Light Company agrees that the proceeds from the debt issuance shall only be used in the following manner:

- (a) One Hundred Fifty Million Dollars (\$150,000,000) of the proceeds shall be used to reduce Delmarva Power & Light Company's portion of the \$625 million utility credit facility;
- (b) That \$34 million of the proceeds shall be used to pay off Delmarva Power & Light Company's short-term commercial paper obligations; and
- (c) The remainder of the \$250 million proceeds (\$66 million) shall be put in a money market account designated exclusively for the use by Delmarva Power & Light Company for its utility operations.

3. In addition, Delmarva Power & Light Company agrees to provide Commission Staff with the following quarterly reports beginning January 2009 through June 2009:

- (a) Within twenty (20) days after the end of each quarter, a forecast of capital expenditure requirements;
- b) Within twenty (20) days after the end of each quarter, a report of the sources and uses (cash

flow) for its utility business from January 2009;  
and

(c) A Rate of Return Report.

4. In addition, Delmarva Power & Light Company agrees to quarterly meetings with Staff regarding financial conditions through June 2009, to be renewed if necessary.

5. That approval of this application by the Commission is not to be construed as approving the capitalization ratios that result for any purposes or procedures involving ratemaking, nor are the Commission's rules relative to proving the merits of any related issue hereby waived. Approval of this application shall not be construed as endorsing any ratemaking treatment of these transactions in any future rate case.

6. That nothing in this Order shall be construed as any guarantee, warranty, or representation by the State of Delaware or by any agency, commission, or department thereof, with respect to the securities to be issued pursuant to this Order.

7. 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

/s/ Dallas Winslow  
Commissioner

PSC Docket No. 08-335, Order No. 7487 Cont'd.

/s/ Joann T. Conaway  
Commissioner

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Commissioner

/s/ Jeffrey J. Clark  
Commissioner

ATTEST:

/s/ Karen J. Nickerson  
Secretary