

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE PETITION OF)
DELMARVA POWER & LIGHT COMPANY FOR)
AUTHORIZATION TO DEFER CERTAIN CHARGES)
TO THE COMPANY'S FINANCIAL STATEMENTS) PSC DOCKET NO. 09-182
RESULTING FROM THE IMPACT OF RECENT)
ECONOMIC DEVELOPMENTS ON PENSION COSTS)
(FILED MAY 1, 2009)

ORDER NO. 7727

AND NOW, this 7th day of January, 2010:

WHEREAS, on May 1, 2009, Delmarva Power & Light Company ("Delmarva" or the "Company") filed with the Delaware Public Service Commission (the "Commission") an application seeking authority to defer, as a regulatory asset, the difference between the level of operations and maintenance ("O&M") pension expense currently included in base electric and gas rates and the level of O&M pension expense the Company is required to record for 2009 under generally accepted accounting standards (the "Application"); and

WHEREAS, by letter opinion dated November 5, 2009, the Hearing Examiner denied Delmarva's request to expedite the Commission's consideration of the Application so as to have a Commission decision before the close of 2009; and

WHEREAS, by Order No. 7700 dated December 8, 2009, the Commission denied Delmarva's Motion for Reconsideration and Interlocutory Appeal of November 5, 2009 Letter of Hearing Examiner; and

WHEREAS, the Hearing Examiner suggested in her November 5, 2009 Letter Opinion that, in light of the fact that pension costs attributable to the Company's Delaware electric customers are an issue

in the Company's pending application to increase its electric distribution base rates (the "Electric Base Rate Case"), either the Company should voluntarily agree to consolidate the Application into the Base Rate Case, or Staff or the Division of the Public Advocate ("DPA") should move to consolidate the Application as it relates to the Company's Delaware electric customers into the current Electric Base Rate Case; and

WHEREAS, the Company, Staff and the DPA agree that administrative economy will be served by transferring the issue of the pension costs attributable to the Company's Delaware electric customers to the Company's current Electric Base Rate Case for consideration therein; and

WHEREAS, the Commission agrees that administrative economy is furthered by transferring the issue of the pension costs attributable to the Company's Delaware electric customers to the Electric Base Rate Case and the issue as it relates to the Company's Delaware gas customers into the Company's next gas base rate case;

NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:

1. That the recovery, if any, of the difference between the Company's level of O&M pension expense attributable to the Company's Delaware electric customers currently included in base electric rates and the level of O&M pension expense for 2009 that the Company is required to record under generally accepted accounting standards shall be considered and addressed in the Electric Base Rate Case (PSC Docket No. 09-414/PSC Docket No. 09-276T).

2. That the recovery, if any, of the difference between the Company's level of O&M pension expense attributable to the Company's Delaware gas customers currently included in base gas rates and the level of O&M pension expense for 2009 that the Company is required to record under generally accepted accounting standards shall be considered and addressed in the Company's next general gas base rate case.

3. Docket No. 09-182 shall be closed.

4. That the Commission reserves the jurisdiction and authority to enter such further Orders 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/ Alisa Carrow Bentley
Secretary