

**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 )  
AS A SUPPLY SOURCE FOR STANDARD OFFER ) PSC Docket No. 08-205  
SERVICE CUSTOMERS )  
(FILED JULY 28, 2008) )

**ORDER NO. 8444**

**AND NOW**, this 10<sup>th</sup> day of September, 2013, the Delaware Public Service Commission ("Commission") determines and orders the following:

**WHEREAS**, on July 28, 2008, Delmarva Power & Light Company ("Delmarva") filed with the Commission an application ("Application"), pursuant to 26 *Del. C.* §1007(b)(1), seeking approval for it to enter into three long-term power purchase agreements ("PPAs") for the procurement of land-based wind power from regional developers located in Pennsylvania and Maryland (i.e., Synergics Roth Rock Wind Energy, LLC, Synergics Eastern Wind Energy, LLC, and AES Aremenia Mountain Wind, LLC) so that Delmarva could serve its standard offer service ("SOS") customers; and

**WHEREAS**, Delmarva asserted in its Application that the underlying purpose of entering into the PPAs was to establish a portfolio of wind energy generation in accordance with the "Electric Utility Retail Customer Supply Act of 2006" ("EURCSA"), 26 *Del. C.* §§1001-1019, and RPS at the lowest cost available for its SOS customers. See Application, at 3; and

**WHEREAS**, during the course of this docket, concerns arose regarding whether there may be migration of SOS customers if Delmarva were to institute a non-bypassable distribution surcharge for the recovery of the costs associated with the PPAs; and

**WHEREAS**, pursuant to 26 Del. C. §1007(c)(1) and the Commission's jurisdiction in this docket, on August 19, 2008, the Commission issued Order No. 7462 which approved Delmarva's request to enter into the three PPAs for the collective procurement of 170 MW of land-based wind power. The Commission reasoned that such procurement of land-based wind power provided the lowest reasonable cost to SOS customers as required under the EURCSA and [was] in the public interest. See Order 7462, ¶33 (August 19, 2008); and

**WHEREAS**, to alleviate the concerns regarding migration of Delmarva's SOS customers, the Commission directed the Commission Staff ("Staff") to report to it on a quarterly basis regarding customer migration away from Delmarva's SOS classes. Order No. 7462, ¶35. The Commission also reserved the right to implement a non-bypassable surcharge, pursuant to 26 Del. C. §1010, if any of the PPAs carried above-market costs and the SOS classes experienced significant migration; and

**WHEREAS**, at the Commission meeting of March 3, 2009, Staff summarized for the Commission the Staff's first report on customer migration in compliance with the Commission's directive. Based on discussion with the Commission at that meeting, Staff

obtained guidance on providing future quarterly customer migration reports.<sup>1</sup> In particular, the Commission requested that the Staff reports address monthly, quarterly, and year-end data on the number of customers being served by Competitive Third Party Suppliers ("TPS"), kWh sales, and capacity obligation percentages for Delmarva versus TPS; and

**WHEREAS**, since requiring the quarterly migration reports, Staff notes in its Memorandum to the Commission dated August 27, 2013, that no remarkable changes in the data have occurred. Staff further notes that while the trend since 2009 has been a slight increase in the number of residential customers supplied by TPS, such increase was not as significant, overall, as Staff had anticipated; and

**WHEREAS**, based on its most recent analysis, Staff now recommends that the Commission eliminate Staff's quarterly reporting requirement for this docket because it believes that the initial concerns regarding customer migration away from Delmarva's SOS classes -- and the allocation of the costs and benefits of the PPAs -- are no longer issues in the near future;

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<sup>1</sup> Staff was directed to provide the memoranda to the Commission with copies to the file rather than to provide the information via as an agenda item at a Commission meeting. In addition, Staff was to provide the requested information both in numerical and graphical representations.

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

1. That Delmarva shall continue to send to Staff on a monthly basis its data concerning customer migration away from its SOS classes.

2. Staff is directed to review such Delmarva customer migration data, to identify any notable changes in such, and to post on a monthly basis on the Commission's website the customer migration data it receives from Delmarva.

3. This docket shall be closed as of the date of this Order. Nevertheless, Staff shall continue to monitor trends in customer migration away from Delmarva's SOS classes, but shall present such information to the Commission only upon the Commission's request or if significant changes in such customer migration data arise.

4. That Delmarva is hereby placed on notice that the costs of this proceeding will be charged to it under the provisions of 26 *Del. C.* §114(b)(1).

5. 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/ Dallas Winslow  
Chair

/s/ Joann T. Conaway  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

/s/ Jeffrey J. Clark  
Commissioner

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Commissioner

ATTEST:

/s/ Alisa Carrow Bentley  
Secretary