500 North Wakefield Drive
P.O. Box 6066
Newark, 19714-6066

delmarva power®
An Exelon Company

Todd L. Goodman
Associate General Counsel

302.353.7979 – Business Cell
302.429.3786 – Telephone
302.429.3801 – Facsimile

todd.goodman@pepcoholdings.com

September 1, 2016

Via Delafile:

Donna Nickerson
Secretary, Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

Re: Petition of Direct Energy
Docket No. 16-0744

Dear Secretary Nickerson:

Yesterday, Delmarva Power & Light Company filed its Response In Opposition to the Petition of Direct Energy Service, LLC in the above referenced docket ("Delmarva's Comments"). This morning, I noticed that Delmarva's Comments filed in DelaFile did not contain the two exhibits referenced in Delmarva's Comments. Accordingly, we have refiled an identical copy of Delmarva's Comments – except that this time, the exhibits actually *are* attached.

I apologize for any convenience caused by my oversight. Should you have any questions or need any information, please do not hesitate to contact me (302-353-7979).

Sincerely,

Todd L. Goodman

cc: through Delafile and email (w/atts)

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE PETITION OF DIRECT ENERGY SERVICES, LLC TO REQUEST THE PUBLIC SERVICE COMMISSION TO ISSUE, ON AN EXPEDITED BASIS, AN ORDER DIRECTING DELMARVA POWER & LIGHT COMPANY TO DISTRIBUTE AN EDUCATIONAL BILL INSERT REGARDING THE OPTIONS AVAILABLE UNDER THE CONTRACT AWARDED BY THE STATE OF DELAWARE (FILED JUNE 30, 2016)	))))))))))))	PSC DOCKET NO. 16-0744

Response of Delmarva Power & Light Company
<u>In Opposition To the Petition of Direct Energy Service, LLC</u>

Delmarva Power & Light Company, (Delmarva Power), by and through its undersigned counsel, hereby opposes the petition of Direct Energy Services, LLC. In support of its opposition, Delmarva Power provides as follows:

A. <u>Background</u>

1. On June 30, 2016, Direct Energy Services, LLC ("Direct Energy") filed a petition (the "Petition") with the Delaware Public Service Commission (the "Commission"). In the Petition, Direct Energy asks the Commission to order Delmarva Power to distribute a bill insert to all of Delmarva Power's Residential and Small Commercial customers in the State of Delaware. According to the Petition, the bill insert would: (1) advise customers of their ability to shop for an electric supplier; (2) inform customers that distribution service will continue to be provided by Delmarva Power; (3) inform customers about the Electric Affordability Committee program; (4) describe the competitive retail energy supply offerings of Direct Energy; and (5) describe Direct Energy's available competitive retail rooftop solar systems and products.

2. Although Direct Energy characterizes the proposed billing insert as an "educational" bill insert, the clear purpose of the bill insert is to *advertise* the competitive retail choice products offered by Direct Energy through its contract with the Delaware Secretary of State's Office to Delmarva Power's distribution customers. While there may be an educational component within the proposed bill insert, Direct Energy's own description of its proposed bill insert makes clear that the true objective of the bill insert is to convince customers to sign up for competitive products offered by Direct Energy through its contract with the Delaware Secretary of State's Office. Direct Energy wishes to force Delmarva Power to use its billing envelopes to advertise Direct Energy's competitive "electric supply offering(s) for Residential and Small Commercial customers" and Direct Energy's "low price per watt roof-top installation…"[1] Direct Energy's Petition further states (correctly) that the "Commission has jurisdiction and oversight over the *marketing* of products" that Direct Energy seeks to sell to Delmarva's customers.[2] Direct Energy's characterization of the proposed bill insert as "educational," does not change the fact that the proposed bill insert seeks to advertise competitive retail offerings.

3. The Commission issued an Opening Order in this docket on July 26, 2016.[3] The Opening Order provided that written comments in response to the Petition must be filed on or before August 31, 2016. This submission constitutes Delmarva Power's written comments opposing Direct Energy's request to force Delmarva Power to use its billing envelopes to advertise Direct Energy's competitive retail offerings.

---

[1] Petition at ¶6 on page 4.
[2] Id. At ¶5 page 3 (*emphasis added*).
[3] Order No. 8922, PSC Docket No. 16-0744 (July, 26, 2016).

B. Delmarva Power Supports Electric Retail Choice

4. Delaware is a retail electric choice state. Delmarva Power strongly supports retail electric choice competition for its electric distribution customers. A competitive and fair retail choice environment serves to provide customers who choose to shop for their electricity supply the opportunity to save money on the Supply portion of their monthly utility bill. In addition to savings, some competitive retail choice suppliers offer other "value added" products to their competitive supply offerings, such as smart thermostats, green energy products/services, and other benefits not generally available through Standard Offer Service ("SOS") supply. Delmarva Power believes that a transparent, open and fair retail electric choice market in Delaware provides its customers with the opportunity to not only save money, but also to enjoy additional energy products and services.

5. Delmarva Power is currently working with Commission Staff, the Division of the Public Advocate (DPA), and the Retail Energy Supply Association ("RESA") in Commission Docket 15-1693. Docket 15-1693 was opened in response to a petition filed by the Electric Affordability Committee (EAC).[4] The EAC was established by the Delaware General Assembly and charged with evaluating an opt-in electricity affordability program for residential and small business customers and evaluating the program based upon the potential benefits derived from a combination of products and services being offered..[5] Through Docket 15-1693, the participants, including Delmarva Power, are working on various ways to improve the Delaware competitive retail electric choice market.[6] Delmarva Power encourages its customers to investigate the options available to them in the Delaware competitive retail choice market. Currently, there are over 140 electric suppliers certified by the Commission to provide competitive retail electric

---

[4] PSC Order No. 8845 in PSC Docket no 15-1693 (January 19, 2016) at p 1.
[5] *Id.*
[6] *Id.* at pp 1-3.

supply in Delaware.[7] Most of those certified suppliers do not actively market customers in Delaware, however. An important goal of Docket 15-1693 is to make program changes that will encourage *more* suppliers to actively participate in the competitive retail choice market in Delaware.

C. Delmarva Power's Monthly Bill Inserts

6. Delmarva Power's primary means of communicating with its customers is through its monthly bill inserts. Delmarva Power uses bill inserts to communicate a variety of information to its customers, including: energy conservation, demand response programs, rate changes, community events, renewable energy, customer service, low income assistance, and other utility issues. The bill inserts are provided with the bills of over 300,000 Delmarva Power Delaware customers. Delmarva Power has attached a sample of several bill inserts as "Exhibit A" for the convenience of the Commission.

D. Ordering Delmarva Power to Advertise Direct Energy's Competitive Products Through Delmarva Power's Bill Inserts Would Damage Retail Electric Choice in Delaware by Providing Direct Energy With an Unfair Competitive Advantage Over Delaware's Other Competitive Retail Choice and Rooftop Solar Providers

7. Delmarva Power has consistently refused to allow any competitive entity to use its bill inserts. That prohibition applies not only to competitive retail electric suppliers and rooftop solar providers, but to any competitive business enterprise.[8] Delmarva Power's bill inserts are intended for use by Delmarva Power to provide information that Delmarva Power determines to be important to its customers.

---

[7] The Commission maintains a list of certified retail electric suppliers on its website: http://depsc.delaware.gov/pdfs/electric/elecsupplierinfo-updated%207-3-2016.pdf.

[8] For example, Delmarva Power would deny access to a home improvement services provider, a restaurant, or any other competitive business entity.

8. Requiring Delmarva Power to allow a competitive retail electric supplier to use Delmarva Power's billing envelopes to advertise its offerings would result in an unfair competitive advantage and would, therefore, damage the competitive retail choice market to the detriment of Delmarva Power's customers. Direct Energy is seeking to use Delmarva Power's bill inserts to obtain unprecedented access to over 300,000 Delmarva Power distribution customers. If permitted, the result would be that Direct Energy would have an unfair competitive advantage over Delaware's other certified electric suppliers authorized to do business within Delmarva Power's service territory. If the choice market is not fair and open, fewer suppliers will participate in the Delaware market, which will lead to less competition, fewer choices, and higher prices. That result would undermine what the participants and the Commission are trying to achieve through Docket No. 15-1693.

9. Advertising the offerings of a competitive retail electric supplier through Delmarva Power bill inserts would also suggest that Delmarva Power has a preference for the products and services being offered by that supplier. The result would be detrimental to retail electric choice in Delaware: First, advertising Direct Energy's offerings through Delmarva Power's bills would misrepresent to Delmarva Power's customers that Direct Energy is somehow preferred by Delmarva Power. Second, it would indicate to customers that Delmarva Power believes that the various retail electric supply options offered by Direct Energy are somehow superior to the products and services offered by the other certified electric suppliers doing business in Delaware. That situation would provide Direct Energy with an additional unfair competitive advantage over Delaware's other certified electric suppliers, ultimately resulting in less competition, fewer choices and higher prices. The goal of Commission Docket 15-1693 is to improve the Delaware competitive retail electric choice market. Encouraging more

suppliers to participate in the competitive retail choice market in Delaware is considered a critical element in achieving that goal. Forcing Delmarva Power to include Direct Energy's advertisements in its bill inserts would damage retail electric and solar competition to the detriment of Delmarva Power's customers. Direct Energy's request is inconsistent with the goal of Commission Docket 15-1693 and, as such, must be denied.

E. Allowing Direct Energy to Advertise Through Delmarva Power's Bill Inserts Would Violate the Commission's Code of Conduct

10. This Commission has always recognized that avoiding unfair competitive advantages is critical to developing and maintaining a healthy competitive retail electric choice market in Delaware. Shortly after the General Assembly enacted the Electric Utility Restructuring Act of 1999,[9] which created competitive electric retail choice in Delaware, the Commission adopted the "Code Of Conduct Governing Regulated Utility Activities and Competitive Activities" (the "Code of Conduct").[10] The primary purpose of the Code of Conduct is to assure that neither an unregulated affiliate of Delmarva Power, nor *any* third party competitive supplier, is able to gain an advantage in the competitive retail electric marketplace by virtue of an actual or perceived relationship with Delmarva Power.[11] In order to achieve that objective, the Code of Conduct prohibits Delmarva Power from indicating a preference for the products and services of one competitive retail supplier over those of another *("[Delmarva Power] shall not specify a preference for any ... Third Party's products and services over those of any other Third Party*").[12]

---

[9] 72 Del. Laws c. 10 (March 31, 1999).
[10] The Code of Conduct was adopted by Commission Order No. 5469 in Docket No. 99-582 (June 20, 2000).
[11] *See*, Findings and Recommendations of the Hearing Examiner at pp. 9 and 12, which was approved by Order No. 5469.
[12] Code of Conduct, § B 10 (a), PSC Order No. 5469.

11. The effect of ordering Delmarva Power to allow Direct Energy to advertise its competitive retail electric supply and solar offerings through Delmarva Power's bill inserts would be to indicate to over 300,000 Delmarva Power customers that: (a) Direct Energy is somehow approved, endorsed or preferred by Delmarva Power, and (b) Delmarva Power believes that the various retail electric supply and solar rooftop options offered by Direct Energy are somehow superior to or in some other way preferred by Delmarva Power over the products offered by the other certified electric suppliers operating in Delaware. Allowing Direct Energy to advertise its retail electric supply and solar options through Delmarva Power's bill inserts would violate the Code of Conduct by indicating to Delmarva Power's customers that Delmarva Power has a preference for the products and services of Direct Energy over those offered by other suppliers.[13] As such, Direct Energy's petition must be denied.

F. Ordering Delmarva Power to Include a Bill Insert Advertising Direct Energy's Competitive Retail Choice Products Would Violate Delmarva Power's First Amendment Right to Free Speech

12. There are numerous reasons why Delmarva Power objects to having Direct Energy, or any other competitive entity, use its bills to advertise competitive offerings, including:

a. Delmarva Power's bill inserts are its main method for communicating information to its customers and are intended for Delmarva Power's messages to its customers;

b. Delmarva Power does not want its bill inserts to be used by any third party competitive entity, nor does Delmarva Power want to be perceived as having a preference for any competitive retail supplier; and

c. Forcing Delmarva Power to publicize the offerings of any competitive retail supplier would violate the Code of Conduct and damage the

[13] *Id.*

> choice market in a manner that would be detrimental the interests of Delmarva Power and its customers.[14]

Forcing Delmarva Power to distribute Direct Energy's bill insert would be forcing Delmarva Power to convey a message that it does not want to convey. The right to free speech under the First Amendment to the United States Constitution prevents that kind of compelled speech.

13. In *Pacific Gas & Electric Company v. Public Utilities Commission of California* ("*PG&E v. PUC*"), the United States Supreme Court was faced with a factual scenario similar to what is currently before the Commission in this docket.[15] The *PG&E v. PUC* case involved a dispute over the request of a non-profit entity, "TURN," to use the bill inserts of PG&E, an investor owned regulated utility, to communicate with PG&E's customers. PG&E's billing inserts consisted of contents that "range from energy-saving tips to stories about wildlife conservation, and from billing information to recipes."[16] The California PUC determined that TURN had aided the PUC in performing its regulatory function and that customers would benefit

---

[14] Delmarva Power is also concerned about representations Direct Energy has made to customers. For example, in an announcement on Direct Energy's website dated July 12, 2016, Direct Energy made the following statement, which as of the date Delmarva Power's response was filed (August 31, 2016), remains on Direct Energy's website:

> "[Direct Energy is] thrilled to share that the State of Delaware has formally named Direct Energy as the 'Electric Retail Supplier Exclusively Contracted by the State of Delaware.'
>
> As part of the groundbreaking agreement, Direct Energy <u>will serve</u> 315,000 residents and businesses in the Delmarva territory...." (*emphasis added*) (See, "Exhibit B" attached hereto).

The statement that "Direct Energy *will serve* 315,000 residents and businesses in the Delmarva territory" (which would represent Delmarva Power's entire residential and small commercial customer base) is inaccurate and likely confusing to customers. The fact is that Direct Energy may use its contract with the State to *seek to convince* Delmarva Power customers to switch from another retail electric supplier, or from SOS, to Direct Energy's offerings, but that is *not* what Direct said in that statement. Customers who read Direct Energy's announcement may now mistakenly believe that Direct Energy "*will*" be their new energy provider, because that is exactly what the erroneous statement says. Delmarva Power does not want to be associated with that type of incorrect and confusing communication.

[15] *Pacific Gas & Electric Company v. Public Utilities Commission of California*, 106 S.Ct. 903 (1986).
[16] *Id.* at 907.

from allowing TURN to include communications in PG&E's billing envelopes.[17] Despite PG&E's opposition to allowing TURN to use its billing envelopes to disseminate TURN's message, the California PUC ordered PG&E to include TURN's bill inserts in its billing envelopes.[18] The PUC required TURN's bill inserts to state that its messages are not those of PG&E.[19]

14. The Supreme Court ruled that PG&E's bill inserts are entitled to "the full protection of the First Amendment."[20] The Court explained that the First Amendment protects both "the *voluntary* public expression of ideas..." and "the freedom *not* to speak publicly...."[21] "For corporations as for individuals, the choice to speak includes within it the choice of what not to say."[22] The Supreme Court ruled that despite the state's compelling interest in achieving fair and effective utility regulation, the First Amendment prevented the PUC from ordering PG&E to use its billing envelopes to disseminate a message that it did not want to provide to its customers.[23]

15. Direct Energy's request to force Delmarva Power to disseminate Direct Energy's advertising materials in its billing envelopes is no different than what the California PUC wrongfully ordered in *PG&E v. PUC*. Direct Energy is asking this Commission to force Delmarva Power to communicate an advertisement for Direct Energy's product offerings to Delmarva Power's customers. Delmarva Power objects to this compelled communication for the reasons discussed throughout this response. The law has been clear on this issue for at least 30

---

[17] *Id.* at 906
[18] *Id.*
[19] *Id.* at 907.
[20] *Id.*
[21] *Id.* at 909 (*emphasis original*).
[22] *Id.* at 912.
[23] *Id.* at 913.

years – the First Amendment prevents Delmarva Power from being forced to disseminate Direct Energy's bill insert.[24]

G. Direct Energy is Capable of Soliciting Delmarva Power's Customers Without The Anti-Competitive and Unconstitutional Compelled Use of Delmarva Power's Billing Envelopes

16. Finally, Direct Energy can access Delmarva Power's customers without forcing Delmarva Power to do so for it. Delmarva Power provides all registered competitive electric suppliers in Delaware with access to Delmarva Power's customer lists through a website that Delmarva Power maintains for competitive retail suppliers. The customer list available to Direct Energy contains the names and addresses of every Delmarva Power customer in Delaware that has not specifically opted out of having its name available to competitive electric suppliers. Multiple Delaware competitive electric suppliers have used this information to conduct direct mail advertising campaigns to Delmarva Power's customers. Direct Energy, like every other certified electric supplier in Delaware, can use Delmarva Power's customer lists to send the same information to Delmarva Power's customers without asking this Commission to force Delmarva Power to do so for it. Direct Energy can use Delmarva Power's customer lists to inform Delmarva Power's customers of its competitive retail offerings without providing Direct Energy with an unfair competitive advantage over other competitive retail electricity and rooftop solar providers in Delaware and without violating Delmarva Power's First Amendment rights.[25]

---

[24] *Pacific Gas & Electric Company v. Public Utilities Commission of California*, 106 S.Ct. 903.

[25] At paragraph 11 of its Petition, Direct Energy claims that it will cover the "incremental costs" of the proposed bill insert such that "[n]one of the incremental costs will be borne by Delmarva or Delmarva's ratepayers." Direct Energy's "offer" to pay incremental costs, while artful, dodges the issue of the true costs. The full cost of delivering bills to customers, including: labor, printing, envelopes, postage, etc., is paid by Delmarva Power and allocated through base rates to Delmarva Power's customers. If Delmarva Power were ordered to include Direct Energy's bill insert in its billing envelopes, and Direct Energy were required to pay only the "incremental" (or added) costs of including the billing insert, Direct Energy would be paying only the partial costs of using Delmarva Power's billing envelopes to advertise its competitive offerings. Direct Energy would avoid paying its

H. Conclusion

For the reasons more fully set forth above:

a. Compelling Delmarva Power to permit Direct Energy to advertise competitive products through Delmarva Power's bill inserts would give Direct Energy an unfair advantage over all other retail electric suppliers and damage retail electric choice in Delaware to the detriment of Delmarva Power's customers;

b. Dissemination of advertisements concerning Direct Energy's competitive retail electric supply and solar offerings through Delmarva Power's bill inserts would violate the Code of Conduct by indicating to customers that Delmarva Power has a preference for Direct Energy and its competitive retail offerings over those offered by other competitive retail electricity suppliers;

c. Compelling Delmarva Power to disseminate Direct Energy's advertising bill insert would violate Delmarva Power's right to Free Speech under the First Amendment to the United States Constitution; and

d. Direct Energy, like every other competitive retail electric supplier in Delaware, can use Delmarva Power's customer lists to send the same advertising information to customers without forcing Delmarva Power to do so and without providing Direct Energy an unfair competitive advantage.

WHEREFORE, Delmarva Power respectfully requests that Direct Energy' Petition be denied, with prejudice.

Delmarva Power & Light Company

Todd L. Goodman (DE Bar #3096)
Pamela J. Scott (DE Bar #2413)
Delmarva Power & Light Company
P.O. Box 6066
Newark, Delaware 19714
(302) 429-3786
todd.goodman@pepcoholdings.com

Dated: August 31, 2016

fair share for use of the billing process, while the remainder of the full cost of the labor, envelopes, postage, etc. is paid in base rates, by Delmarva Power's distribution customers. In other words, charging Direct Energy only the "incremental costs" would be forcing distribution customers to pay the balance of the full costs through distribution rates.

Exhibit A

(Example 2016 Delmarva Power Bill Inserts)

Important Rate Information for Residential Electric Customers

Delmarva Power asked the Delaware Public Service Commission (Commission) for an increase in electric delivery rates to cover the cost of significant investments over the past several years which have helped to modernize the electric system, maintain its reliability and improve customer service.

How does this rate change affect me?

- Effective July 16, 2016, a portion of that increase will go into effect on an interim basis. Residential customers who use 1,000 kilowatt-hours of electricity per month will see their bill increase about $0.48.
- The ultimate amount of the rate change must be approved by the Commission. If the full proposed rates are approved, customers who use 1,000 kilowatt-hours of electricity per month will see their bill increase 7.25 percent or $10.23 per month.
- The rate increase is subject to refund to customers with interest if the Commission's final approval of the electric delivery rates is less than the rates implemented. The Commission is conducting a thorough review of this proposal and we will notify you by mail of any changes.
- Effective July 1, 2016, the Utility Facility Relocation Charge (UFRC), increased from 0.36% to 0.41% of your electric delivery charges. On July 16, 2016, the UFRC will be adjusted again due to delivery rate increases which become effective July 16, 2016. As a result, beginning July 16, 2016, the UFRC will decrease from 0.41% to 0.05% of your electric delivery charges. The Delaware legislature created the UFRC to allow us to recover the costs incurred in connection with the relocation of existing electric utility facilities as required or necessitated by Department of Transportation or other government agency projects.

What else can I do to help manage my energy costs?

Ask about our Budget Billing option that allows you to make a fixed monthly payment and avoid seasonal spikes in your energy bill at no extra cost. Also, sign up for My Account, our free online energy tool that can help you better manage your energy use and costs. For information about these programs and for energy saving tips, visit delmarva.com or call 1-800-375-7117.

See the chart on the back panel for new rates.

delmarva power®
An Exelon Company

RATE SCHEDULE		RATES EFFECTIVE 7/16/16 Summer (Jun-Sept)	RATES EFFECTIVE 7/16/16 Winter (Oct-May)	PREVIOUS RATES Summer (Jun-Sept)	PREVIOUS RATES Winter (Oct-May)
Residential – Rate R					
Delivery Service Charges					
Customer Charge		$11.84/month	$11.84/month	$11.70/month	$11.70/month
Distribution:	First 500 kWh	$0.030271/kWh	$0.030271/kWh	$0.029925/kWh	$0.029925/kWh
	Excess kWh	$0.030271/kWh	$0.030271/kWh	$0.029925/kWh	$0.029925/kWh
Residential Space Heating – RSH					
Delivery Service Charges					
Customer Charge		$11.84/month	$11.84/month	$11.70/month	$11.70/month
Distribution:	First 500kWh	$0.026912/kWh	$0.026912/kWh	$0.026604/kWh	$0.026604/kWh
	Excess kWh	$0.026912/kWh	$0.026912/kWh	$0.026604/kWh	$0.026604/kWh
Residential Time of Use Non-Demand – R-TOU-ND					
Delivery Service Charges					
Customer Charge		$18.27/month	$18.27/month	$18.06/month	$18.06/month
Distribution:	Energy On-Peak kWh	$0.047974/kWh	$0.047974/kWh	$0.047419/kWh	$0.047419/kWh
	Off-Peak kWh	$0.005785/kWh	$0.005785/kWh	$0.005718/kWh	$0.005718/kWh

The information contained in this bill insert has been prepared as a general guideline for our customers. The company's tariff, as filed and approved by the Public Service Commission, is the official document regarding all rates and rules and regulations affecting service. For further information and details, copies of the tariff are available by contacting Delmarva Power Customer Care at 1-800-375-7117 or by visiting delmarva.com.

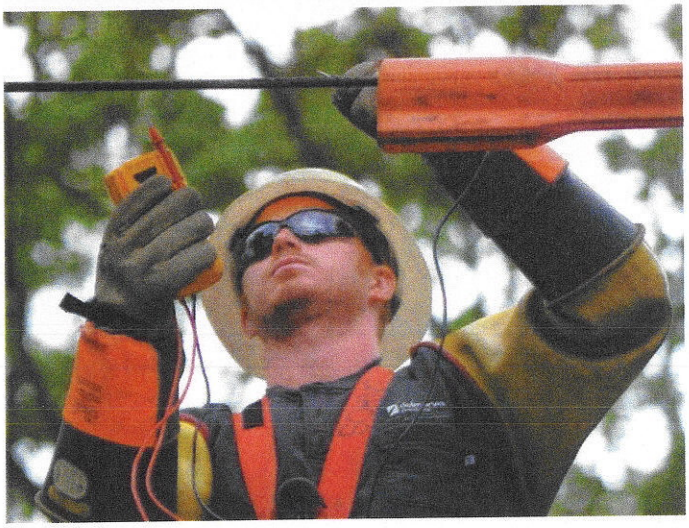
delmarva power®
An Exelon Company

energy for a changing world®

30906-I-0530

© Delmarva Power, 2016

Stay Safe Around Electricity



Useful information and guidelines to help you keep clear of danger.

- Tips for inside and outside your home
- What to do before working near power lines
- How to use a generator safely

Learn more about electrical safety at delmarva.com

delmarva power®

An Exelon Company

Electricity is an essential part of our everyday lives, but it's important to remember that it can also be very dangerous. We encourage you to follow these guidelines for electrical safety in and around your home.

Outside Your Home

- Before using a ladder, trimming branches, cleaning gutters or working on a roof, check for power lines in or near trees
- When working near power lines, stay a minimum of 25 feet away
- Carry long or tall items such as ladders and pool cleaning equipment parallel to the ground when walking near power lines
- Never throw anything over or at a power line, transformer or substation
- Keep electrical equipment away from water at all times – never use any electric appliance on a wet surface, while wet or when standing in water
- Hire an electrician to upgrade exterior outlets to ground fault circuit interrupter (GFCI) outlets to protect from potential shock
- If you have a swimming pool, keep electrical appliances a minimum of 10 feet away
- Never go near a fallen power line as it may be live and extremely dangerous – stay safe and call 1-800-898-8042 or 1-800-898-8045 to report downed power lines and damage
- Call 8-1-1 before you do any digging around your home to find out where underground utility lines are buried

SAFETY IS THE LAW

In Delaware, anyone working near overhead high-voltage power lines is required by law to call the owner of the lines before starting work. In some cases, it may not be apparent whether the overhead lines are high-voltage or not.

Be safe. Always call us at 1-800-375-7117 before starting work near any kind of overhead wires. We can help identify the owner of the wires, help create a safety plan for completing the job, provide an estimate for relocating wires if needed and direct you to the owner of the lines if they do not belong to us.

Inside Your Home

- Never overload electrical outlets with multiple appliances
- Use a power strip with an integrated fuse to plug more than two electrical items into one outlet
- If you have a flooded basement, never touch switches or circuit panels while standing in water
- Examine electrical cords and replace or dispose of any damaged cords
- Keep electric space heaters at least four feet from furniture and drapes
- Hire an electrician to install ground fault circuit interrupter (GFCI) outlets in your kitchen and bathroom where appliances are used near water
- Never remove an electrical plug by pulling on the cord
- Never force a plug into an outlet

Generator Safety

A generator can be a convenient source of electricity if the power goes out. Please take special care to use any generator safely.

- Always follow the manufacturer's instructions
- Hire a qualified electrician to install a generator switch and panel
- Never run a generator indoors, including inside a garage – a generator should always be located outdoors in a well-ventilated area
- Install battery-operated carbon monoxide detectors to keep you and your family safe – carbon monoxide is not only colorless and odorless, it is deadly
- Check all plugs and extension cords for damage before plugging them in
- For your safety and the safety of Delmarva Power professionals, do not connect your generator directly to your home's main fuse box or circuit panel since improperly connected generators can feed electricity back into the electrical system and endanger field personnel

For general inquiries about power lines, please call 1-800-375-7117.

Download Our Mobile App

Available on the App Store

GET IT ON Google play

Our free Delmarva Power mobile app is essential storm gear. Use it on your smartphone or tablet to:

- Get the latest news
- Report an outage or streetlight problem and get alerts
- Access interactive outage maps
- Call us through a direct dial link
- Get estimates for when power will be restored

Download it now at delmarva.com/mobileapp or from your app store.

Sign Up for My Account

My Account is your personal resource for managing your Delmarva Power account and energy use. Connect with My Account from our website as well as through our Delmarva Power mobile app. Use My Account to:

- Pay bills and manage your account
- Find money-saving tips
- Receive useful news and updates

My Account is free and you can sign up at delmarva.com or through our mobile app in just a few minutes.

Customer Service/Servicio en Español:
1-800-375-7117

TTY for Hearing Impaired:
1-800-822-1200

STAY SAFE. STAY CONNECTED.

/DelmarvaPower @DelmarvaConnect /DelmarvaPowerTV

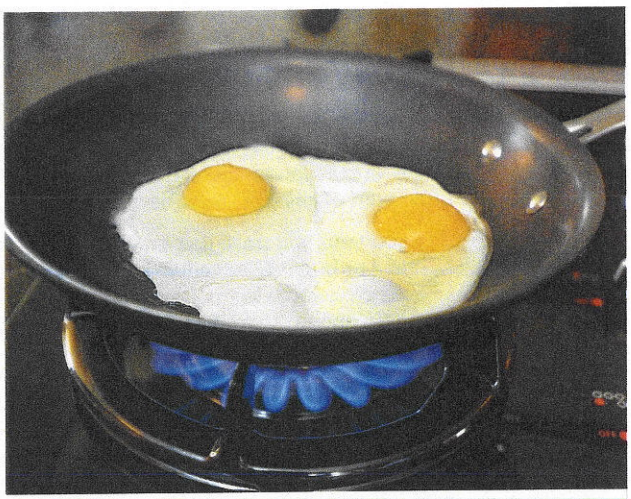
delmarva power®

An Exelon Company

Please recycle

delmarva.com

30906-I-0539
© Delmarva Power, 2016



NATURAL GAS SAFETY

IT SMELLS BAD FOR A GOOD REASON

SI HUELE MAL ES POR UNA BUENA RAZÓN

For Natural Gas Emergencies Call

Para reportar emergencias en caso de una fuga de gas natural

302-454-0317

delmarva power®

An Exelon Company

TAKE SAFETY INTO YOUR OWN HANDS

Scratch and sniff, know the smell.

What's that smell? The odor that you smell is a harmless chemical we add to natural gas so that you can detect even the smallest amount of gas that might have escaped.

If you think you smell gas, evacuate your home or business immediately. Do not light a match, switch electronics on or off or use the telephone. Leave the area and call us immediately at **302-454-0317**.

Emergency assistance can also be obtained by calling **911**.

Share this with your family and friends.

HÁGASE CARGO DE SU SEGURIDAD

Raspe y huela, familiarícese con el olor.

¿Qué es ese olor? Lo que está oliendo es un producto químico inofensivo que añadimos al gas natural para que usted pueda detectar hasta la más mínima fuga de gas.

Si cree que está oliendo a gas salga inmediatamente de su casa o de su negocio. No encienda fosforos o cerillos, no prenda ni apague ningún aparato electrónico y no utilice el teléfono. Aléjese del lugar en el que se encuentra y luego llámenos inmediatamente al **302-454-0317**.

También puede obtener asistencia de emergencia llamando al **911**.

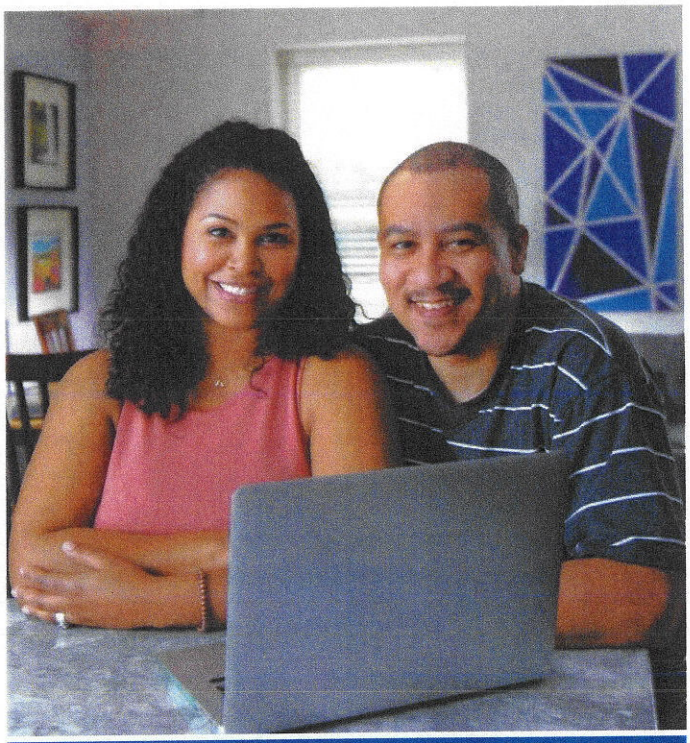
Comparta esta información con su familia y amigos.

delmarva power
An Exelon Company

energy for a changing world®

30906-I-0524

© Delmarva Power, 2016



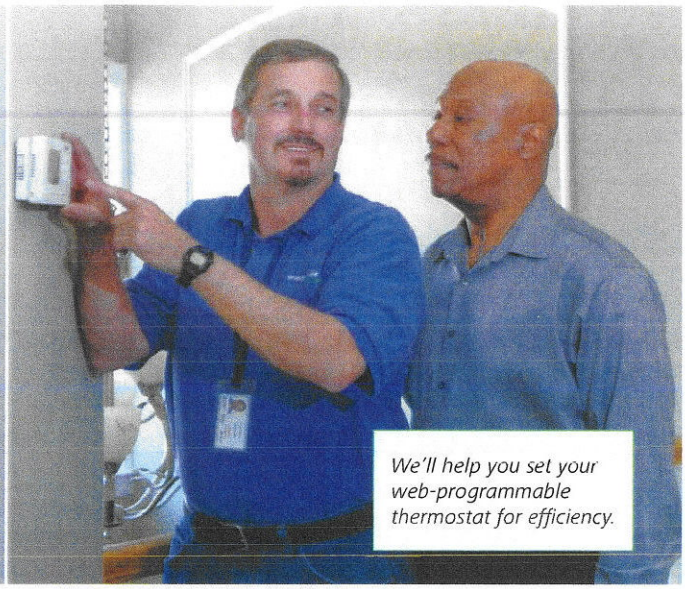
EVERYONE CAN SAVE ON PEAK SAVINGS DAYS.

Receive credits off your bill when you reduce your energy use on **Peak Savings Days**.

delmarva power®

An Exelon Company

Unplug unused chargers and electronics, such as coffee makers, to help save money and energy.



We'll help you set your web-programmable thermostat for efficiency.

The **Peak Energy Savings Credit** and **Energy Wise Rewards™** programs are two ways to save on your monthly bill this summer.

Here's how they work:

The **Peak Energy Savings Credit** is a *hands-on* way for customers to save money and energy on Peak Savings Days.

- No enrollment necessary
- Reduce your energy use during specified hours – small changes can make a difference on your budget
- Get credits – On average, customers get a $5 credit on each Peak Savings Day

Energy Wise Rewards is an *automatic* way for customers in Delaware with central AC or a heat pump to save money and energy on Peak Savings Days.

- Sign up and get a web-programmable thermostat or outdoor switch installed at no charge
- We'll cycle participants' central AC or heat pump off and on automatically
- Receive a one-time Installation Credit off your bill (up to $80)

Both programs can help you save on Peak Savings Days.

To learn more, visit delmarva.com/peak or call 1-855-750-PEAK.

We can help you save this summer.

What are Peak Savings Days?

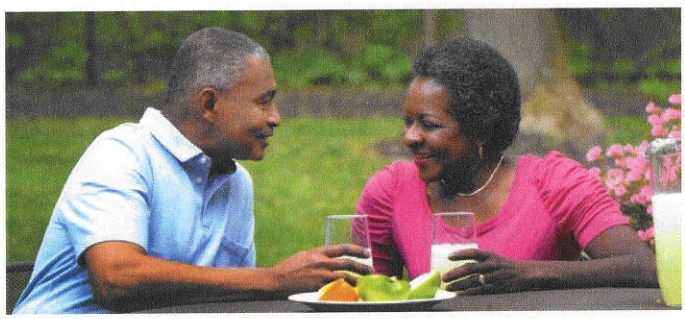
They are a few days each summer when demand for electricity is highest, and they typically occur for a few hours between noon and 8:00 p.m.

How much can I save?

You'll earn a $1.25 credit for every kilowatt hour (kWh) you save below your average energy use. For example, if your average is 19 kWh and you reduce your energy use to 12 kWh, you'll receive an $8.75 credit. On average, Energy Wise Rewards participants save more energy than non-participants on Peak Savings Days.

How will I know when a Peak Savings Day happens?

We'll call you the night before a Peak Savings Day. You may also choose to be notified by text or email by visiting My Account at delmarva.com or call 1-855-750-PEAK.



delmarva power®

An Exelon Company

Please recycle

© Delmarva Power, 2016

30906-I-0520

...but some won't make it without your help.

Many families would willingly pay for the energy they use, but unfortunately are unable to do so. Your contribution to the Good Neighbor Energy Fund will help them—the families in need.

Any contribution you make is important and Delmarva Power will match customer contributions with $1.00 for every $3.00 that is collected, up to $70,000.

Thank you for supporting the Good Neighbor Energy Fund.

Good Neighbor Energy Fund

GOOD NEIGHBOR ENERGY FUND
THE SALVATION ARMY
PO BOX 712
WILMINGTON DE 19899-0712

Name _____

Address _____

_____

_____

For Tax Receipt purposes, complete address is required.

Postage Required
Post Office will not deliver without proper postage.

30906-I-0244

Please act now.

To contribute, please make your check or money order payable to the

Good Neighbor Energy Fund.

Mail the contribution in this convenient envelope.
Your gift is tax deductible (your canceled check is your receipt),
and will make a big difference to families in need.

NOTE: PLEASE DO NOT USE THIS ENVELOPE TO MAIL YOUR BILL.

delmarva power

GET FREE TREES
REDUCE YOUR ENERGY USE

ENERGY-SAVING TREES™

Delmarva Power and the Arbor Day Foundation are offering free trees to help you conserve energy.

Properly planted trees help reduce energy use through summer shading and by slowing winter winds. As your trees grow, they will have the potential to lower energy bills by 15 to 30 percent.

For more information visit arborday.org/delmarva or call 855-670-2772.

delmarva power

Energy for a changing world.™

Trees are available on a first-come, first-serve basis from March 20 through May 5, while supplies last. Distribution is limited to two, 2-to-4 foot trees per customer.

To help you plant your tree in the right place, the Arbor Day Foundation offers you an online mapping tool that will:

- Map your house
- Show you the right trees for your area
- Locate the best place to plant them
- Calculate how much you can expect to save

To get your free trees, visit arborday.org/delmarva or call 855-670-2772 today.

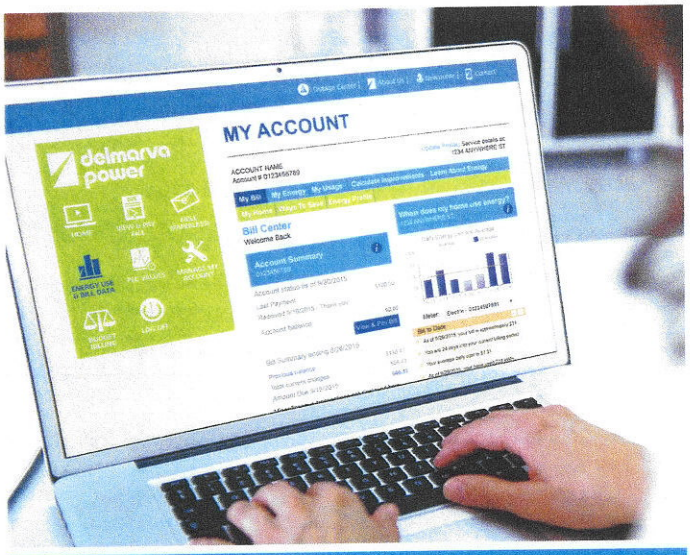
April is National Safe Digging Month. Be sure to call 8-1-1 to get your underground utility lines marked for free. This helps prevent damage to utilities such as electric lines and natural gas pipelines. Remember, digging without calling 8-1-1 can put you, your family or neighbors in harm's way, interrupt your service and possibly result in fines and repair costs.

Be smart, dig safely, call 8-1-1 BEFORE you dig.

delmarva power

Energy for a changing world.™

30906-I-0415



SAVE MONEY WITH TOOLS ON MY ACCOUNT

Online energy management tools on My Account can help you take control of your energy use so you can save money and energy at home.

What you'll find on My Account:

- Current and projected bill information
- Hourly, weekly and monthly energy use information
- Tools to help you see what time of day you are using the most energy
- Tips to help you save money and energy

delmarva power

Energy for a changing world.™

My Account shows your energy use in easy-to-read charts so that you can see how and when you're using the most energy.

Even making a few small changes around your home, like unplugging phone chargers after your phone is fully charged or turning off unnecessary lights when you leave a room, can add up to savings on your bill.

Start saving money and energy today. Sign up for My Account at **delmarva.com/energytools**.

Here's a look at what you'll see on My Account:

With the bill to date feature on My Account, you can see how much energy you've used and your projected bill at any time during the month.

Bill to Date

- As of 11/29/2015, your bill is approximately $26
- You are 23 days into your current billing period
- Your average daily cost is $1.16
- As of 11/29/2015, you have used 178 kWh
- This billing period is scheduled to end on 12/7/2015
- Projected Bill: $33 - $41 -- assuming you use energy at your current pace

If you don't have access to a computer or if you prefer to receive this information over the phone, call us at 1-855-NEW-METER.

delmarva power

30906-I-0473

Always Use Caution

Many companies, including Delmarva Power, contact customers in person or via phone for various reasons. If someone claims to represent a company, whether the company is Delmarva Power or another entity, it is important that you take precautions to verify that the person is affiliated with the company, especially if that person is requesting an immediate monetary payment. When addressing past due accounts, we always offer multiple payment options.

Ask for official photo identification from any person who shows up at your door. Our employees always carry an official company identification card. If proper identification cannot be produced, you should notify the police and the company with whom the individual claims to be associated.

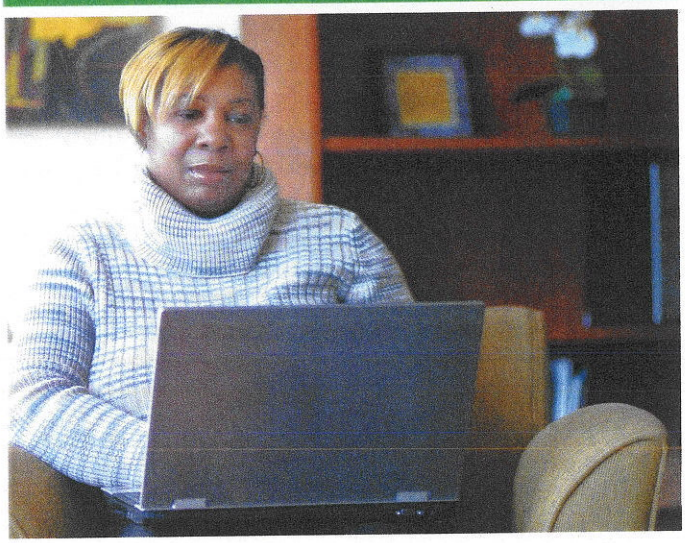
Similarly, if someone calls saying they represent a certain company, you should ask them to verify their identity and affiliation. If you have any doubt about the validity of a person's claim to represent Delmarva Power, please call us immediately at 1-800-375-7117.

delmarva power

Energy for a changing world.™

30906-I-0277

Be Alert for Scammers



Several scams are taking place in our area. Look inside for more details and tips to keep you safe.

- Avoid phony invoices
- Be mindful of reloadable debit cards
- Ask for identification

delmarva power

Energy for a changing world.™

We want to alert our residential and commercial customers to several scams taking place in our area.

Phony Invoices

Scammers are posing as third-party suppliers and sending phony utility bills via email to some utility customers. The email asks you to click on a link contained within the message. It is suspected that, by clicking the link, your computer could become infected with a virus or malware.

We ask our customers to pay their utility bill only by visiting delmarva.com, mailing the hard copy of the remittance portion of the invoice or visiting one of our Walk-In Offices in person. Do not open any email asking that payment be made on your utility bill unless sent by Delmarva Power or your respective third-party energy supplier.

Reloadable Debit Cards

Scammers also are visiting or calling targeted customers to tell them that their electric account is delinquent and will be shut-off for non-payment unless they purchase a reloadable debit card (Green Dot MoneyPak, Vanilla) for a specific amount from a local retail store.

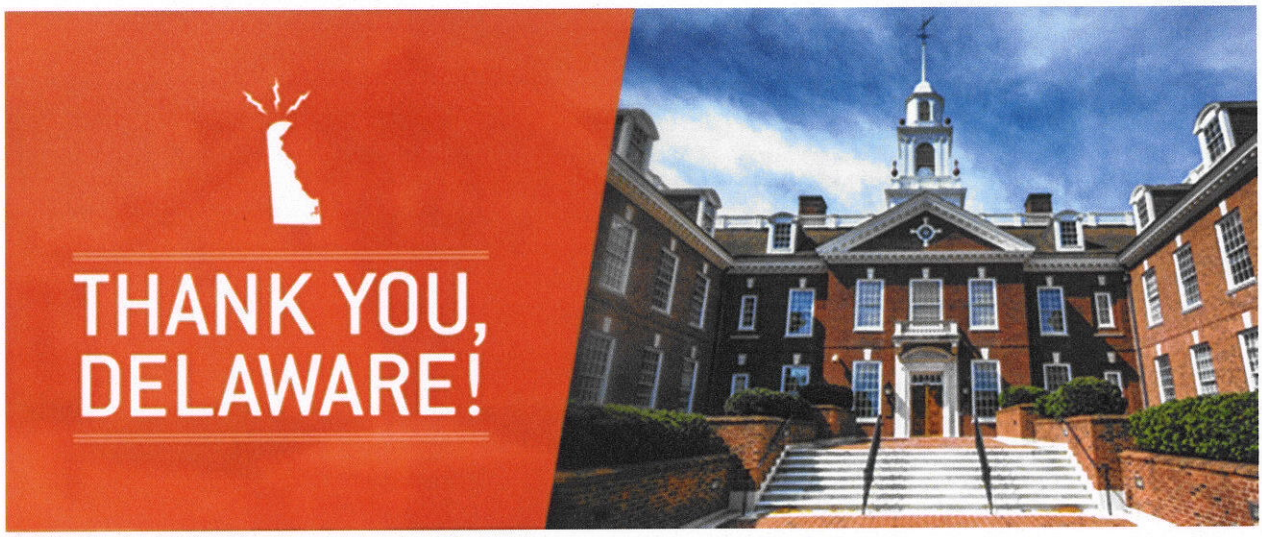
Victims are then instructed to call a scammer telephone number with their credit card's account number and unique serial number. Once the scammer obtains the card's identifying information, the value is then downloaded, swept and stolen without a trace. (Reloadable debit cards in themselves are legitimate products when used properly).

Business customers also are being told to use this method to make payment of about $500 to have a new meter installed. Scammers tell customers that the state has mandated these meter changes. This is not true.

Exhibit B

Printed from Direct Energy Website (highlighting added)

https://business.directenergy.com/blog/2016/july/delaware-announcement (printed 8/31/16)



We're thrilled to share that the State of Delaware has formally named Direct Energy as the "Electric Retail Supplier Exclusively Contracted by the State of Delaware."

As part of the groundbreaking agreement, Direct Energy will serve 315,000 residents and businesses in the Delmarva territory and for Delaware Electric Cooperative's 84,000 customers. This is the first such program and designation made in the United States.

The new status was conferred on Direct Energy after a months-long competitive process and a vote last month by the Delaware Electricity Affordability Committee, chaired by Secretary of State Jeffrey Bullock, and with representation from the Department of Natural Resources and Environment, Office of the Controller General, Office of Management and Budget, Office of the Public Advocate and the Public Service Commission.

Direct Energy was one of six suppliers vying for the designation. Proposals were evaluated based on a range of important criteria, including: the potential benefits derived from a combination of multi-year fixed price per kilowatt-hour offers; value added products and services to help customers better manage their overall electricity bills; other potential consumer benefits; and, the fiscal and technical experience of the supplier.

"I want to thank the Governor Jack Markell, Secretary Jeffrey W. Bullock, PSC Executive Director Robert Howatt, Senator Colin R. Bonini (R-DE), and State Representative Mike P. Mulrooney (D-DE) for their leadership and assistance. We are thrilled to be the 'Electric Retail Supplier Exclusively Contracted by the State of Delaware' and look forward to a long and lasting relationship with the state's 315,000 residents and small businesses," said Stephen Girard, Head of Small Business at Direct Energy Business.

As part of the agreement, there is no early cancellation or "switching fee" for commodity products, so customers are free to switch back to the utility they came from, or shop for another competitive supplier offer without any risk. No matter the electricity supplier, their utility will still remain their electricity deliverer – meaning that they still respond for any service emergencies or power outages.

How will the new program benefit business customers in the First State?

For starters, small business customers can potentially save an additional 10 to 12 percent on their heating bills and about 15 percent on their cooling bills by receiving a Nest Learning Thermostat at no extra cost. Small businesses can also save 5 percent off of Delmarva's current price to compare.

Additionally, Delaware businesses are able to take advantage of an exclusive offer from Direct Energy Business that includes a special low fixed electricity price set at 5 percent below Delmarva's current price to compare for 24 months, with no enrollment or exit fees and an option for a free Nest Learning Thermostat.

Is your small business located in Delaware? Learn how you can take control of your business's energy budget with Direct Energy Business by visiting directenergybusiness.com/Delaware or calling (844) 688-9822.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE PETITION OF DIRECT ENERGY SERVICES, LLC TO REQUEST THE PUBLIC SERVICE COMMISSION TO ISSUE, ON AN EXPEDITED BASIS, AN ORDER DIRECTING DELMARVA POWER & LIGHT COMPANY TO DISTRIBUTE AN EDUCATIONAL BILL INSERT REGARDING THE OPTIONS AVAILABLE UNDER THE CONTRACT AWARDED BY THE STATE OF DELAWARE (FILED JUNE 30, 2016)	))))))))))))	PSC DOCKET NO. 16-0744

Certificate of Service

The undersigned certifies that Delmarva Power's Response In Opposition to the Petition of Direct Energy Service, LLC was filed in DelaFile, which automatically provides notices of service to registered users on the Service List in this Docket. Courtesy copies were also provided by electronic mail.

Todd L. Goodman (DE Bar #3096)