



STATE OF DELAWARE

PUBLIC SERVICE COMMISSION
861 SILVER LAKE BLVD.
CANNON BUILDING, SUITE 100
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7500
FAX: (302) 739-4849

September 26, 2016

MEMORANDUM

TO: The Chair and Members of the Commission

FROM: Pamela Knotts, Regulatory Policy Administrator *PKK*

SUBJECT: IN THE MATTER OF THE PROVISION OF STANDARD OFFER SUPPLY TO
RETAIL CONSUMERS IN THE SERVICE TERRITORY OF DELMARVA POWER &
LIGHT COMPANY
(FILED SEPTEMBER 2, 2016) PSC DOCKET NO. 16-0909

On September 2, 2016, Delmarva filed with the Commission documents pertaining to the Request for Proposals and the Full Requirements Service Agreement for Standard Offer Supply and on September 19th amended certain documents (the "Filing") to change dates¹ regarding the upcoming Delmarva 2017 Standard Offer Service ("SOS") procurement cycle. This Filing contains documents with Delmarva's proposed changes to the SOS procurement process and includes five exhibits. Revised Exhibit 1 has the 2017 SOS Procurement Improvement Process proposals. Revised Exhibit 2 is the redlined "Delmarva Power & Light Company 2017 Request for Proposals for Full Requirements Wholesale Electric Power Supply in Delaware, Dated October 7, 2016" ("RFP"). Revised Exhibit 3 is the clean version of the RFP. Exhibit 4 is the redlined version of the "Full Requirements Service Agreement" ("FSA"). Exhibit 5 is the clean version of the FSA.

¹ Per Delmarva the only change in Revised Exhibits 1, 2 & 3 was to revise the date from October 5, 2016 to October 7, 2016. The date of October 5, 2016 was included in the Exhibits to coincide with the October 4, 2016 date that had originally been set for the Commission's first meeting in October. Since the meeting has been moved to October 6, 2016, the dates included in these Exhibits needed to be changed accordingly.

The first proposal (Revised Exhibit 2 & 3) (RFP §2) updates the supply requirements and contract terms. The second proposal (RFP §4) modifies the volume weighting factor percentage by service type. And the third proposal details the bidding schedule for the upcoming procurement year.

In the fourth proposal, the FSA (Exhibit 4 & 5), Article 4.9 and Exhibit D have been amended to include an additional PJM Billing Line Item called “Transmission Enhancement Settlement Charge”² and the assignment of this responsibility to Buyer.

Staff reviewed the Filing with the proposed revisions to the FSA and the RFP as described above and found no issues.

² FERC Docket No. EL05-121-009, dated June 15, 2016, Settlement Agreement which resolved issues regarding the allocation of transmission construction costs.