

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER AND LIGHT COMPANY)
FOR APPROVAL OF ITS PROPOSAL) PSC DOCKET NO. 11-330
TO ESTABLISH A NEW RESIDENTIAL AIR)
CONDITIONING CYCLING PROGRAM)
(FILED JULY 28, 2011))

ORDER NO. 8015

AND NOW, this 23rd day of August, 2011:

WHEREAS, in Order No. 7485 (November 21, 2008), issued in Docket No. 08-391, the Delaware Public Service Commission (the "Commission") directed Delmarva Power and Light Company ("Delmarva") and any other interested parties to "convene at a collaborative workshop to determine the viability of implementing any reasonable demand-side management or demand response programs in the near term;" and

WHEREAS, Delmarva met with representatives of the Commission Staff and the Division of the Public Advocate on several occasions to discuss its Advanced Metering Initiative ("AMI") and implementation of demand response programs such as dynamic pricing and direct load control ("DLC"); and

WHEREAS, on July 29, 2011, Delmarva filed an application (the "Application") for approval of a residential air conditioning cycling program, Residential Direct Load Control Rider "R-DLC," which is "designed to reduce residential air conditioner compressor and central electric heat pump compressor load during summer periods of high

PSC Docket No. 11-330, Order No. 8015 Cont'd

electricity demand when wholesale market energy prices are high and available electricity supply is constrained" (Application at 3); and

WHEREBY, Delmarva states that the proposed residential DLC program, in conjunction with AMI and Delmarva's proposal to implement dynamic pricing, "will help customers across the state take greater control of their electricity usage by providing a simple automated method by which customers can reduce consumption during certain peak periods," can beneficially affect the high energy prices Delmarva's customers face due to periodic capacity constraints, and will enable customers to automatically reduce their energy use during critical peak events (Application at 2-3); and

WHEREAS, Delmarva has requested the Commission to waive the application of the Minimum Filing Requirements for base rate increases except for Part I.C. regarding the filing of testimony and supporting exhibits with the Application;

NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF NO FEWER THAN THREE COMMISSIONERS:

1. That the Commission hereby opens this docket to consider the Application of Delmarva Power and Light Company for approval of its proposed residential air conditioning cycling program.

2. That Delmarva's request for waiver of the Minimum Filing Requirements applicable to base rate increases is granted.

3. That, pursuant to the requirements of 26 *Del. C.* §§102A and 304, Delmarva shall give public notice of the Application by causing

PSC Docket No. 11-330, Order No. 8015 Cont'd

the notice attached hereto as Exhibit "A" to be published in the News Journal and Delaware State News newspapers, in two-column format, outlined in black, on **Tuesday, August 30, 2011**. Delmarva is required to file in this docket affidavits of publication of public notice by Tuesday, September 27, 2011.

4. That the deadline for petitions to intervene in this docket pursuant to Rule 1001.2.9 of the Commission's Rules of Practice and Procedure shall be **Friday, September 23, 2011**.

5. That the Commission will not now assign a Hearing Examiner to this docket, but will wait to ascertain whether the appointment of a Hearing Examiner is warranted by the level of participation of other persons in this docket.

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

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/ Joann T. Conaway
Commissioner

PSC Docket No. 11-330, Order No. 8015 Cont'd

/s/ Jaymes B. Lester
Commissioner

/s/ Dallas Winslow
Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary

EXHIBIT A

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER AND LIGHT COMPANY)
FOR APPROVAL OF ITS PROPOSAL) PSC DOCKET NO. 11-330
TO ESTABLISH A NEW RESIDENTIAL AIR)
CONDITIONING CYCLING PROGRAM)
(FILED JULY 28, 2011))

**PUBLIC NOTICE OF APPLICATION OF DELMARVA POWER AND LIGHT COMPANY
FOR APPROVAL OF ITS PROPOSAL TO ESTABLISH A NEW
RESIDENTIAL AIR CONDITIONING CYCLING PROGRAM**

**TO: ALL ELECTRIC CUSTOMERS OF DELMARVA POWER AND LIGHT COMPANY AND
OTHER INTERESTED PERSONS**

On July 29, 2011, Delmarva Power and Light Company ("Delmarva") filed an application with the Delaware Public Service Commission ("the Commission") pursuant to 26 *Del. C.* §§201, 1008 and 1500 *et seq.* for approval of a proposal to establish a new residential air conditioning cycling program through the Residential Direct Load Control Rider "R-DLC" (the "Rider"). The Rider is designed to reduce residential central air conditioner compressor and central heat pump compressor load during summer periods of high electricity demand when wholesale market electric energy prices are high and available electricity supply is constrained.

On August 23, 2011, pursuant to 26 *Del. C.* §306(a) (1), the Commission opened this docket to consider Delmarva's Application.

The Commission will make its decision on this matter on the basis of the evidence of record taken at a public evidentiary hearing(s), notice of which will be published at a later date. The Commission may approve or reject the proposed Rider in whole or in part.

Delmarva's customers and others are invited to review the Application and supporting documents. You may review the documents during normal business hours in the Commission's Dover office at the address listed below or on the Commission's website at www.depsc.delaware.gov. You may also review copies of the Application and supporting documents at the office of the Division of the Public Advocate located at the Carvel State Office Building, 4th Floor, 820 North French Street, Wilmington, Delaware 19801. Please call (302) 577-5077 to arrange for a time to review the documents at that location.

If you wish to participate as a party in this docket, with the right to present evidence and be heard by counsel, you must file a with the Commission a petition to intervene that complies with the requirements of Rule 1001.2.9 of the Commission's Rules of Practice and Procedure (26 *Del. Admin. Code* §§1001 *et seq.* on or before **September 23, 2011**. All such petitions should be sent to:

Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building
Suite 100
Dover, Delaware 19904
ATTN: PSC Docket No. 11-330

Petitions filed thereafter will not be considered except for good cause shown.

If you have a disability and wish to participate in, or to review the materials in, these proceedings, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, in writing, by telephone (including text telephone), or by Internet e-mail. If you have questions about this matter, please call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions or request information by Internet e-mail addressed to john.farber@state.de.us.