

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY TO)
TO IMPLEMENT AN ADVANCED METERING) PSC Docket No. 09-311
ENABLED DYNAMIC PRICING PLAN)
(OPENED MARCH 22, 2011))

ORDER NO. 8094

AND NOW, this 20th day of December, 2011:

WHEREAS, by Order No. 7620 dated August 4, 2009, the Delaware Public Service Commission (the "Commission") opened this docket to investigate the benefits to ratepayers of dynamic pricing and other rate options that might become available with the diffusion of the Advanced Metering Initiative ("AMI") then being implemented; and

WHEREAS, on November 30, 2009, a joint consensus report addressing three primary options for implementing dynamic pricing was filed by Delmarva Power & Light Company ("Delmarva"), the Commission Staff ("Staff"), the Division of the Public Advocate (the "DPA"), the Retail Energy Supply Association ("RESA"), the Delaware Energy Users Group ("DEUG") and Constellation Energy; and

WHEREAS, on March 23, 2011, Delmarva filed an Application to Implement an Advanced Metering Enabled Dynamic Pricing Plan and Dynamic Pricing Rider DP (the "Application") and prefiled direct testimony from five witnesses: Delmarva President Gary R. Stockbridge; Karen R. Lefkowitz, Vice President of Business Transformation for Pepco Holdings, Inc. ("PHI"); Charles R. Dickerson, PHI Vice President of Customer Care; Joseph F. Janocha, PHI Manager of Rate Economics;

and Stephen L. Sunderhauf, PHI Manager of Program Design and Evaluation (Exs. 2-7);¹ and

WHEREAS, on July 7, 2011, Delmarva submitted supplemental testimony from Messrs. Stockbridge, Dickerson and Janocha. (Exs. 8-10); and

WHEREAS, notice of Delmarva's Application was published in the *News Journal* and the *Delaware State News* on April 7 and 25, 2011, and in *The Sussex Countian* on April 13, 2011; the *Community News* on April 17, 2011; and *The Cape Gazette* on April 8, 2011 (Ex. 1); and

WHEREAS, Delmarva, Staff and the DPA held workshops on May 25 and June 6, 2011, to which third-party suppliers were invited via e-mail sent to the representatives that attended the 2009 workshops; however, no third-party suppliers attended either workshop; and

WHEREAS, on September 7, 2011, Staff submitted a report (Ex. 11) supporting Delmarva's proposal to implement Rider DP for the Field Acceptance Test ("FAT") customers, but identifying five issues requiring resolution before Staff could support a full roll-out of Rider DP for all Delmarva customers; and

WHEREAS, on October 12, 2011, Delmarva filed a response to Staff's Report (Exs. 12 and 12A); and

WHEREAS, after additional meetings held to discuss Staff's issues, Delmarva, Staff and the DPA (the "Participants") filed the proposed Settlement Agreement on December 16, 2011; and

¹The exhibits introduced at the December 20, 2011 evidentiary hearing will be cited as "Ex. _ (Witness' Name) at _" for direct testimony and "Ex. _ (Witness' Name - S" at _" for supplemental direct testimony.

WHEREAS, on December 20, 2011, we conducted an evidentiary hearing on the proposed Settlement Agreement, at which Delmarva, Staff and the DPA each proffered witnesses to testify regarding the proposed Settlement Agreement who were subject to cross-examination from the Participants and questioning from the Commission; and

WHEREAS, after the close of the record, we deliberated in open session and at the conclusions of our deliberations voted to approve the proposed Settlement Agreement;

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

1. That the proposed Settlement Agreement, and Rider DP with the modifications set forth in the Settlement Agreement will result in just and reasonable rates, are in the public interest, and so are approved.

2. That the Commission will enter a formal Findings and Opinion in support of this Order at a later date.

3. 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:

Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Jeffrey J. Clark
Commissioner

/s/ Dallas Winslow
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary