

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE INVESTIGATION )  
INTO DELMARVA POWER & LIGHT )  
COMPANY'S PLANNED DISTRIBUTION ) PSC DOCKET NO. 13-152  
INFRASTRUCTURE INVESTMENT OVER )  
THE NEXT FIVE YEARS )  
(OPENED APRIL 16, 2013, 2013) )

ORDER NO. 8640

**AND NOW**, to-wit, this 30th day of September, 2014:

**WHEREAS**, on May 7, 2013, this Commission entered Order No. 8363 that opened this docket for the purpose of investigating Delmarva Power & Light Company's ("Delmarva") proposed distribution infrastructure and reliability investments going forward for a period of up to five years; and

**WHEREAS**, the docket was also to consider whether the previous reliability standards set for Delmarva in Regulation Docket No. 50 should be revised to (1) include new or adjusted metrics to help measure reliability performance as it relates to distribution infrastructure and reliability investment, and (2) indicate when and if such investment is consistent with Delmarva customers' reliability needs and the ability of those customers to pay for such investment; and

**WHEREAS**, on May 3, 2014, the Commission Staff ("Staff") filed a report with this Commission that contained its conclusions and recommendations regarding Delmarva's plans to invest \$397 million in infrastructure investment over the next five years, as reported in the

Testimony of Michael W. Maxwell in PSC Docket No. 13-115. It also included an independent review by Silverpoint Consulting, LLC, hired by Staff to assess the need for the proposed reliability investments; and

**WHEREAS**, as Staff noted in its report on April 30, 2014, Exelon Corporation ("Exelon") announced that it was acquiring Pepco Holdings Inc. ("PHI"), the parent of Potomac Electric Power Company ("Pepco"), Delmarva and Atlantic City Electric ("ACE"). Since the specific terms of the proposed merger were not available at the time the report was written, Staff mentioned that the report did not take into account the potential changes that the announcement may have on levels of investment in Delaware or the effects on customers' rates; and

**WHEREAS**, at Staff's request this matter came before the Commission on August 19, 2014, to inform the Commission that the investigation had been completed and to seek guidance from us as to what additional steps should be taken, if any, in light of the pending PHI merger with Exelon; and

**WHEREAS**, having reviewed the record for this case; and having heard oral arguments at our regularly-scheduled meeting held on August 19, 2014, from Staff on several potential paths forward, as well as from representatives of Delmarva and the Division of Public Advocate; and having deliberated in public at that August 19, 2014 meeting; and having considered the comments made by all parties;

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

1. That we acknowledge receipt of Staff's report addressing Delmarva's proposed distribution infrastructure and reliability investments over the next five years.

2. That the docket shall remain open and no further action will be taken in it, pending completion of the Commission's review of the proposed PHI merger with Exelon.

3. That the Commission shall further consider this matter at its first regularly-scheduled meeting that is three months after the date of the final order regarding our decision in PSC Docket No. 14-193 (the PHI-Exelon merger case).

4. 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/ Harold B. Gray  
Commissioner

/s/ Jeffrey J. Clark  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley  
Secretary