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May 4, 2007

Gary Stockbridge
President
Delmarva Power
800 King Street
P.O. Box 231
Wilmington, DE 19899

Dear Mr. Stockbridge,

Responsible planning for Delaware's major infrastructure decisions that will so greatly impact our lives and those of future generations demands openness and accountability by governmental officials and corporate responsibility on the part of energy producers and suppliers.

In that light, I was disappointed to learn of your reaction to the recommendations of the Public Service Commission's staff report released on May 2nd which recommended that your company negotiate with both Bluewater Wind LLC and Conectiv Energy. Thursday's News Journal attributed to you the statement that "Even if the commission votes to accept the conclusions of the report, Delmarva will refuse to negotiate," and that "We will take any action at our disposal to prevent that."

While I understand that Delmarva believes it is not in the company's interest or perhaps in the interests of ratepayers to add additional energy supply to the marketplace, I don't understand a flat-out refusal to negotiate.

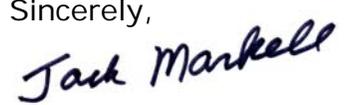
While I'm not suggesting that Delmarva be required to enter into any particular transaction, I do believe that all parties ought to demonstrate good faith consistent with the legislation which led to this process in the first place. Negotiation – simply conferring with others in order to learn whether you can come to terms or reach an agreement -- doesn't seem to be an onerous burden.

As State Treasurer with fiduciary responsibility to our taxpayers, I have stated on a number of occasions that it is critical that there be transparency in the PSC's public process, and I have been outspoken in my views that the PSC and the other decision-making agencies strongly consider the importance of price stability, new technology, and reductions in environmental impact (especially greenhouse gas emissions). Furthermore, I have argued repeatedly that we should take a long-term view of cost-effectiveness, considering not only today's business environment but the business environment in which these facilities will operate during their entire functioning life.

I am pleased that the PSC staff report appears to be a first step toward those goals. Respecting the process and being willing to at least enter into negotiations, if that is the decision of the PSC's next vote is an essential piece of maintaining the public's trust.

As a matter of good faith to your customers in Delaware, and as a matter of respect to our public institutions I urge you to consider the recommendations of the staff report on their merit, and to not unilaterally rule out negotiations with Bluewater Wind and Conectiv Energy, if that is the outcome of the vote by the Public Service Commission.

Sincerely,

A handwritten signature in black ink that reads "Jack Markell". The signature is written in a cursive, slightly slanted style.

Jack Markell
Delaware State Treasurer