



A PHI Company

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**James W. Boone**  
Assistant General Counsel

August 17, 2009

Ms. Terry J. Romine  
Executive Secretary  
Public Service Commission of Maryland  
William Donald Schaefer Tower  
6 St. Paul Street, 16th Floor  
Baltimore, Maryland 21202

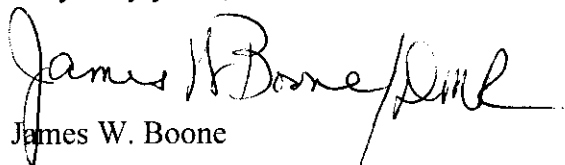
**Re: Interim Report**

Dear Ms. Romine:

Pursuant to the Public Service Commission of Maryland Memorandum of Understanding, enclosed please find an original and twenty-two (22) copies of the Delmarva Power & Light Company's Interim Report for Minority, Women and Service-Disabled Veteran-Owned Business Enterprises for January 1, 2009 – June 30, 2009.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

  
James W. Boone

JWB/mlp

Enclosure

**Interim Report for  
Minority, Women and Service-Disabled Veteran-Owned  
Business Enterprises  
January 1, 2009 – June 30, 2009**

The following is an “Interim Report” pursuant to the State of Maryland Public Service Commission Memorandum of Understanding (MOU), signed on February 6, 2009. This Interim Report is submitted for the consideration of the Maryland Public Service Commission by Delmarva Power, a Pepco Holdings, Inc. Company.

1. The results from January 1, 2009 through June 30, 2009 demonstrate Delmarva Power is good progress toward goal attainment.

<b>Diverse Suppliers Delmarva Power</b>	<b>Annual Goal 2009</b>	<b>January - June 2009 Actual</b>
Minority Business Enterprise	5.000%	4.75%
Women Business Enterprise	2.000%	1.83%
Service Disabled Veteran Enterprise	0.010%	0.15%
Not For Profit Workshops	0%	0.05%
<b>Total</b>	<b>7.010%</b>	<b>6.78%</b>

Delmarva Power had total utility procurement for goods and services totaling \$61.9 million dollars January 1 through June 30, 2009. Direct spend to diverse suppliers totaled \$6.9 million dollars and subcontract dollars were \$64,273 for a total of \$7 million dollars or 6.78% of diverse supplier spend to total utility procurement for goods and services .

2. New processes and systems implemented include
  - Second-tier spend tracking and reporting through a contract with AECSOFTUSA, a minority-owned firm.
  - An internet-based system to collect profile data from all current diverse suppliers to provide an on-line internal directory.
  - A new internal procurement system, “Sourcing Workflow”, automates tracking of the procurement process from requisition to contract for all requisitions valued over \$100,000.
  - Language in the requisition and contract terms and conditions has been re-drafted to more strongly state the Company’s commitment to expanding opportunities for inclusion of diverse suppliers.
3. Progress in non-traditional areas includes
  - The Advanced Meter Infrastructure (AMI) contract for installation of 1.9 million smart meters was awarded in April 2009 to a woman business enterprise, Scope Services. The estimated contract value is \$43.8 million. Deployment has begun in the Delmarva region. The project has received regulatory approval in the DC region and is pending approval in the Maryland and New Jersey regions.
  - A contract was awarded to a Maryland-based woman-owned business for a company-wide wellness program in 2010.
4. Areas where the Company anticipates encountering problems in filing Annual Reports

Delmarva is currently on track toward meeting the 2009 goals. Two procurement areas which could adversely affect goal performance are in the procurement of distribution transformers and original equipment manufacturer parts.

- The State of Maryland regulated formula for the procurement of distribution transformers is based on total cost of ownership. The current formula does not take into consideration the intangible benefit to procurement from diverse suppliers or suppliers within the United States.
- Equipment warranties requiring procurement of parts from the original equipment manufacturer eliminates any opportunity for competition.

ATTACHMENT F		UTILITY NAME: Pepco		INTERIM REPORTING FOR THE PERIOD ENDED: 6/30/2009					
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)		
LINE #	DESCRIPTION	DIRECT (\$)	SUB CONTRACT (\$)	DIVERSE SUPPLIER PROCUREMENT (\$)	PERCENTAGE (%) OF DIVERSE SUPPLIER PROCUREMENT	TOTAL UTILITY PROCUREMENT (\$)	PERCENTAGE (%) OF DIVERSE SUPPLIER SPEND TO TOTAL UTILITY PROCUREMENT		
1	MINORITY BUSINESS ENTERPRISE	\$14,921,213	\$1,507,279	Col. (C) + (D) \$16,428,492	\$ / Total Col. (E) 83.59%		Col. (E) Line Item / Col. (G) Total 15.98%		
2									
3	WOMEN BUSINESS ENTERPRISE	\$3,203,315	\$0	\$3,203,315	16.30%		3.12%		
4									
5	SERVICE DISABLED VETERAN BE	\$0	\$0	\$0	0.00%		0.00%		
6									
7	NOT FOR PROFIT WORKSHOPS	\$20,694	\$0	\$20,694	0.11%		0.02%		
8									
9	TOTALS	\$18,145,222	\$1,507,279	\$19,652,501	100.00%	\$102,788,613	19.12%		

ATTACHMENT F		UTILITY NAME: Delmarva Power		INTERIM REPORTING FOR THE PERIOD ENDED: 6/30/2009					
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)		
LINE #	DESCRIPTION	DIRECT (\$)	SUB CONTRACT (\$)	DIVERSE SUPPLIER PROCUREMENT (\$)	PERCENTAGE (%) OF DIVERSE SUPPLIER PROCUREMENT	TOTAL UTILITY PROCUREMENT (\$)	PERCENTAGE (%) OF DIVERSE SUPPLIER SPEND TO TOTAL UTILITY PROCUREMENT		
1	MINORITY BUSINESS ENTERPRISE	\$4,877,652	\$781	Col. (C) + (D) \$4,878,433	\$ / Total Col. (E) 24.82%		Col. (E) Line Item / Col. (G) Total 4.75%		
2									
3	WOMEN BUSINESS ENTERPRISE	\$1,818,203	\$63,492	\$1,881,695	9.57%		1.83%		
4									
5	SERVICE DISABLED VETERAN BE	\$159,000	\$0	\$159,000	0.81%		0.15%		
6									
7	NOT FOR PROFIT WORKSHOPS	\$50,000	\$0	\$50,000	0.25%		0.05%		
8									
9	TOTALS	\$6,904,855	\$64,273	\$6,969,128	35.46%	\$61,917,703	6.78%		