

## **AGREEMENT**

On this 2<sup>nd</sup> day of July 2013, in consideration of the covenants and agreements contained herein, Silverpoint Consulting, LLC, ("Consultant") and the Public Service Commission, Department of State, State of Delaware (the "Commission", and, together with Consultant, the "Parties") agree as follows:

### **1. SERVICES**

On behalf of the Commission, Consultant agrees to perform the following services (the "Services") with respect to proceedings in PSC Docket No. 13-115 – In the Matter of the Application of Delmarva Power & Light Company for an Increase in Electric Base Rates and Miscellaneous Tariff Changes (Filed March 22, 2013) and PSC Docket No. 13-152 – In the Matter of the Investigation into Delmarva Power and Light Company's Planned Distribution Infrastructure Investments over the next five years (Opened April 16, 2013):

Consultant will be expected to provide the range of services in the areas specified which would normally be provided by the staff of a larger state utility regulation commission in the processing of a similar matter to its conclusion.

Task Required: Task 1 – Engineering/Reliability

Task Required: Task 2 – Business Strategy Evaluations

The Services are to be performed by Consultant at the request of the Commission; however, the Commission is not required to request that Consultant perform any of the Services, nor is the Commission prohibited from contracting with other persons to perform the Services.

### **2. COMMISSION RESPONSIBILITIES**

The Commission agrees to pay Consultant a total amount of fees and expenses not to exceed \$120,000. Consultant shall not be entitled to any compensation other than as otherwise stated herein.

### **3. AUTHORITY OF THE COMMISSION**

Consultant agrees to perform the Services, as may be requested, timely, diligently, and in a good workmanlike manner. On all questions concerning the acceptability and quality of the Services, the decision of the Commission is final and binding.

### **4. OWNERSHIP OF DOCUMENTS AND MATERIALS**

The Commission is the exclusive owner of all documents and material Consultant produces, creates, or generates while providing the Services. The Commission remains the exclusive owner of all documents and material provided to Consultant in connection with Consultant's performance of the Services.

5. TERMINATION

If, at any time prior to the date of completion of the Services, the Commission determines that Consultant has failed to comply with any of the terms or conditions of this Agreement, or that Consultant has violated any law, the Commission may, upon written notice to Consultant, terminate this Agreement as of the date of such notice. The Commission may also terminate this Agreement, without cause, provided that written notice has been given thirty (30) days prior to such termination.

6. INDEMNIFICATION

Consultant hereby agrees to indemnify and hold harmless the Commission, its staff, officers, employees, attorneys and agents from and against any and all claims, liabilities, losses, damages, costs or expenses, including attorneys' fees, which may be incurred, suffered, or required in whole or in part by any actual or alleged act or omission of Consultant.

7. TAXES, FEES, AND ASSESSMENTS

Consultant shall pay all taxes and fees that may be required in order to provide, or as a result of providing, the Services.

8. ADVERTISING

Consultant agrees not to use the Commission's name, logos, images, data or results arising from this Agreement as part of any commercial advertisement, without prior written authorization from the Commission.

9. SUBCONTRACTS PROHIBITED

This Agreement is a personal service contract, and the Services shall not be performed by, nor delegated to, any subcontractor.

10. INDEPENDENT CONTRACTOR

Consultant shall perform the Services as an independent contractor and is solely responsible for obtaining and maintaining any licenses, permits and insurance required to perform the Services.

11. ASSIGNMENTS PROHIBITED

Neither this Agreement, nor any interest or claim arising from it, shall be transferred or assigned by Consultant to any other party. Any attempt to assign this Agreement, or any interest or claim arising from it, shall render the Agreement void as of the date of the attempted assignment.

12. NOTICE

Any written notice required under this Agreement shall be deemed given as of the date of mailing if such notice is sent by registered or certified mail, return receipt requested.

All notices sent to the Commission shall be addressed to:

Robert J. Howatt, Executive Director  
Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building, Suite 100  
Dover, DE 19904

All notices sent to Consultant shall be addressed to:

Stephanie Vavro, Principal  
Silverpoint Consulting LLC  
1519 Whispering Woods Circle  
Allentown, PA 18106

13. COMPLIANCE WITH LAW

Consultant agrees to comply with all applicable federal, state and local laws while performing the Services.

14. FUNDING OUT CLAUSE

The Commission may cancel this Agreement at any time if sufficient support is not appropriated by the Delaware General Assembly, or other appropriate Federal or State agency, to sustain, in whole or in part, the Commission's performance under this Agreement, or if such support is reduced such that it is insufficient to sustain said performance.

15. GOVERNING LAW

This Agreement shall be governed by the laws of the State of Delaware, without regard to conflicts of law rules. Any and all litigation arising under this Agreement shall be instituted in the appropriate court in the State of Delaware, and Consultant waives access to any other court that may have jurisdiction over such litigation.

16. ENTIRE AGREEMENT

This Agreement between the parties incorporates by reference all the terms and conditions of the request for proposal, Date of Issue: December 9, 2011, attached hereto. For any inconsistent terms between this Agreement and the Request For Proposals, the Request for Proposal governs.

17. MODIFICATION OF TERMS

This Agreement may be amended, modified, superseded, cancelled, and renewed, and its terms and conditions may be waived, only by a written instrument signed by the Parties or, in the case of a waiver, by the waiving party.

18. BENEFICIARIES

Except as otherwise provided herein, the parties agree that this Agreement is solely for the benefit of the Commission and the Consultant and that there are no third-party beneficiaries.

19. CONSTRUCTION

The Parties have each had an opportunity to consult with legal counsel and negotiate the terms of this Agreement. The Agreement shall not be construed against any party regardless of who was more responsible for its preparation.

PUBLIC SERVICE COMMISSION,  
DEPARTMENT OF STATE,  
STATE OF DELAWARE

STEPHANIE VAVRO  
SILVERPOINT CONSULTING LLC  
1519 WHISPERING WOODS CIRCLE  
ALLENTOWN, PA 18106

*Original on File*

By: Richard J. Hendt Executive Director  
Date: 7/2/2013

*Original on File*

By: STEPHANIE L. VAVRO  
Date: 7/2/13

