



Public Service Commission of the District of Columbia
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Press Release

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Public Service Commission Grants Pepco/Exelon Merger Application

(WASHINGTON, D.C.) – By a vote of two to one, Chairman Kane dissenting, the Public Service Commission of the District of Columbia approved the Pepco/Exelon Merger, as modified by the terms and conditions set out in Option 2 presented in the Joint Applicants’ Request for Other Relief, filed on March 7, 2016, with one additional term. The modifications conform the Merger Application to the terms of the Revised Nonunanimous Settlement Agreement (RNSA) proposed by Commissioner Fort in Order No. 18109, released February 26, 2016, with the addition of the Incremental Offset that was included in the Nonunanimous Settlement Agreement (NSA) rejected by a majority of the Commission. Commissioner Phillips dissented to the rejection of the NSA in Order No. 18109.

The Joint Applicants, acting alone without the other Settling Parties, then filed a Request for Other Relief, which the Commission granted. The Joint Applicants’ Request sought Commission action on one of three options: adopt the NSA (Option 1); adopt the RNSA (Option 2); or adopt a new proposal (Option 3). All of the Parties as well as some community members filed comments on the Joint Applicants’ Request. After considering all comments, the majority of the Commission voted to adopt the terms and conditions set out in Option 2 with the addition of an Incremental Offset. The Commission modified the terms of the RNSA to retain this tool to use in its next base rate case along with the base rate credits to mitigate impacts of a future rate increase on ratepayers.

Accordingly, the Commission has concluded that the Proposed Merger, under the terms and conditions now set out in Attachment B to the Order, is in the public interest. The Merger as approved retains all of the benefits negotiated by the Settling Parties in the NSA with the exception of the four changes outlined in Order No. 18109. The Commission specifically concluded that the merger will benefit ratepayers and the District because it includes, among other benefits: (1) a \$72.8 million Customer Investment Fund, including \$25.6 million in rate base credits; (2) \$11.25 million in funds for energy efficiency and energy conservation programs, especially for low and limited income residents; and (3) \$21.55 million to promote the District’s sustainability agenda through pilot projects to modernize the electric distribution grid to accommodate more distributed energy resources. These benefits, among others, would not be available to District ratepayers if the Merger is not approved. A copy of the Order will be posted on the Commission website, www.dcpsc.org.

The Public Service Commission of the District of Columbia is an independent agency established by Congress in 1913 to regulate electric, natural gas, and telecommunications companies in the District of Columbia.

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