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PRESS RELEASE

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Exelon/Pepco Merger Should Not Be Approved

Today, People's Counsel Sandra Mattavous-Frye filed the Office of the People's Counsel's brief in the Pepco/Exelon merger case and urged the Public Service Commission to reject the companies' application. The People's Counsel maintains her position that the proposed merger is not in the public interest and that it fails to provide consumers with tangible benefits.

"While this merger provides a wealth of benefits for Exelon and PHI's shareholders, it exposes District of Columbia ratepayers to a number of unnecessary risks. I am primarily concerned that Exelon has failed to commit to meeting established reliability standards, that any financial benefit to consumers will be erased with the first rate case and that the major decisions impacting the city's electrical infrastructure will be made by executives in Chicago," said People's Counsel Sandra Mattavous-Frye.

"As it regards the city, I am concerned that the success the District has achieved in the area of deploying renewables will be compromised by Exelon's corporate philosophy that favors generation companies. Moreover, I have no confidence in Exelon's ability to deliver on the promise of more jobs. Specifically, it's not clear that the promised jobs are targeted to the communities most in need and there is no accountability if the jobs are not achieved. Further, Pepco's reliability improvements, which were the result of hard fought consumer victories will continue without any help from Exelon. Exelon is required to show that DC

consumers will be better off with the merger. They have not done so. Taken together, I cannot support approving this merger,” stated the People’s Counsel.

“At the end of the day, if the merger is not approved, the world will not end. We currently have a utility focused on meeting the Commission’s reliability standards, a number of major infrastructure projects underway that will improve reliability and an emerging renewable energy market that will be further supported by recently adopted regulations to allow new solar applicants to interconnect in an efficient manner,” said Ms. Mattavous-Frye.

This case has garnered significant public attention as evidenced by the large number of elected officials, specifically a majority of Advisory Neighborhood Commissions who passed resolutions in opposition to the merger. In addition, hundreds of citizens have written comments to the Commission in opposition to the acquisition.

Among the jurisdictions required to approve the merger, New Jersey has made its decision to approve the plan, an agreement is pending in Delaware and Maryland is expected to announce its decision on Friday, May 15th.