

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1325 G STREET, N.W., SUITE 800
WASHINGTON, D.C. 20005**

NOTICE OF PUBLIC INTEREST HEARING AND COMMUNITY HEARING

November 5, 2015

FORMAL CASE NO. 1119, IN THE MATTER OF THE JOINT APPLICATION OF EXELON CORPORATION, PEPCO HOLDINGS, INC., POTOMAC ELECTRIC POWER COMPANY, EXELON ENERGY DELIVERY COMPANY, LLC AND NEW SPECIAL PURPOSE ENTITY, LLC FOR AUTHORIZATION AND APPROVAL OF PROPOSED MERGER TRANSACTION,

The Public Service Commission of the District of Columbia (“Commission”) hereby gives notice of a public interest hearing to be held pursuant to Section 130.11 of the Commission’s Rules of Practice and Procedure¹ to consider the Nonunanimous Full Settlement Agreement and Stipulation (“Settlement Agreement”) filed on October 6, 2015 by Exelon Corporation, Pepco Holdings, Inc., Potomac Electric Power Company, Exelon Energy Delivery Company, LLC and New Special Purpose Entity, LLC (“Joint Applicants”); the Office of the People’s Counsel; the District of Columbia Government; District of Columbia Water and Sewer Authority; National Consumer Law Center; National Housing Trust; National Housing Trust Enterprise Preservation Corporation; and the Apartment and Office Building Association of Metropolitan Washington (collectively, the “Settling Parties”).² The public interest hearing will convene Wednesday, December 2, 2015, at 10:00 a.m. in the Commission Hearing Room, 1325 G Street, N.W., Suite 800, Washington, DC 20005, and continue on Thursday and Friday, December 3 and 4, 2015, respectively, if necessary. Only parties in the case will be permitted to participate in the public interest hearing.

A Community Hearing will convene Tuesday, November 17, 2015, at 10:00 a.m. in the Commission Hearing Room, 1325 G Street, N.W., Suite 800, Washington, DC 20005, for the purpose of allowing interested persons who are not parties to this proceeding and wish to comment on the Settlement Agreement to do so at this hearing.

¹ 15 DCMR § 130.11 (1992).

² *Formal Case No. 1119, In the Matter of the Joint Application of Exelon Corporation, Pepco Holdings, Inc., Potomac Electric Power Company, Exelon Energy Delivery Company, LLC and New Special Purpose Entity, LLC for Authorization and Approval of Proposed Merger Transaction (“Formal Case No. 1119”), Motion of the Joint Applicants to Reopen the Record in Formal Case No. 1119 to Allow for Consideration of Nonunanimous Full Settlement Agreement and Stipulation, or for Other Alternative Relief, filed October 6, 2015 (“Motion to Reopen”).*

BACKGROUND

On April 30, 2014, Exelon Corporation (“Exelon”) announced Exelon’s purchase of Pepco Holdings, Inc. (“PHI”). On June 18, 2014, the Joint Applicants filed the Joint Application for approval by the Commission, pursuant to D.C. Code §§ 34-504 and 34-1001, for a change of control of Pepco to be effected by the Proposed Merger of PHI with Purple Acquisition Corp. (“Merger Sub”), a wholly owned subsidiary of Exelon.³

The Commission convened four (4) community hearings seeking input from the public on the Joint Application. The hearings were held between December 17, 2014, and January 20, 2015, at various times and locations throughout the District of Columbia. Eleven days of evidentiary hearings were held on March 30–April 8, 2015 and April 20–22, 2015. On May 27, 2015, the record closed.

On August 27, 2015, the Commission issued Order No. 17947, which denied the Joint Application and found that the proposed merger was not in the public interest.⁴ On September 28, 2015, the Joint Applicants filed an Application for Reconsideration of Order No. 17947.⁵

On October 6, 2015, the Joint Applicants filed a Motion to Reopen the Record in *Formal Case No. 1119* to allow for consideration of the Settlement Agreement.⁶ Among other things, the Joint Applicants requested “that the Commission toll consideration of the Application for Reconsideration . . . for such period of time as the Commission requires to fully consider the merits of the Settlement Agreement” and “toll the time for responses to the Application for Reconsideration.”⁷

By Order issued on October 26, 2015, the Commission tolled the deadline for action on the merits of the Joint Applicants’ Application for Reconsideration and the filing of responses to the Application until the Commission renders a decision on the Settlement Agreement or until the Commission determines otherwise.⁸ In an Order issued October 28, 2015, the Commission granted the Motion to Reopen the Record in *Formal Case No. 1119* to allow for consideration of

³ See *Formal Case No. 1119*, Joint Application of Exelon Corporation, Pepco Holdings, Inc., Potomac Electric Power Company, Exelon Energy Delivery Company, LLC and New Special Purpose Entity, LLC for Authorization and Approval of Proposed Merger Transaction, p. 1, filed June 18, 2014 (“Joint Application”).

⁴ *Formal Case No. 1119*, Order No. 17947, rel. August 27, 2015.

⁵ *Formal Case No. 1119*, Application of the Joint Applicants for Reconsideration of Order No. 17947, filed September 28, 2015.

⁶ *Formal Case No. 1119*, Motion of the Joint Applicants to Reopen the Record in Formal Case No. 1119 to Allow for Consideration of Nonunanimous Full Settlement Agreement and Stipulation, or for Other Alternative Relief, filed October 6, 2015 (“Motion to Reopen”).

⁷ *Formal Case No. 1119*, Motion to Reopen at 11, 13.

⁸ *Formal Case No. 1119*, Order No. 18009, rel. October 26, 2015 (“Order No. 18009”).

the Settlement Agreement and set forth the procedural schedule pertaining to such consideration.⁹

PUBLIC INTEREST HEARING

The purpose of this public interest hearing is to determine if the proposed Settlement Agreement is in the public interest pursuant to Section 130.11 of the Commission's Rules of Practice and Procedure.¹⁰ During the course of the hearing, the settling parties will present witnesses to testify regarding the proposed Settlement Agreement and may be cross-examined by Nonsettling Parties and questioned by the Commission on whether the Settlement Agreement is in the public interest.¹¹ The Commission also notifies the Nonsettling Parties that they may be subject to cross-examination by the Settling Parties and may be questioned by the Commission.

The hearing will be streamed live on the Commission's website, www.dcpssc.org, and the video archived at http://www.dcpssc.org/public_meeting/index.asp.

COMMUNITY HEARING

A Community Hearing will convene on Tuesday, November 17, 2015, at 10:00 a.m. in the Commission Hearing Room, 1325 G Street, N.W., Suite 800, Washington, DC 20005. Interested persons who are not parties to this proceeding and wish to comment on the Settlement Agreement at this hearing may do so by notifying the Commission's Secretary in writing at the address or email address listed in the final paragraph of this Notice prior to the date of the hearing. Representatives of organizations shall be permitted a maximum of five (5) minutes for oral presentation. Individuals shall be permitted a maximum of three (3) minutes for oral presentation. The submission of copies of written statements is encouraged by the Commission.

ADDITIONAL INFORMATION

Copies of the proposed Settlement Agreement may be obtained by contacting the Office of the Commission Secretary, Public Service Commission of the District of Columbia, 1325 G Street, N.W., Suite 800, Washington, DC 20005 or by visiting the Commission's website at www.dcpssc.org. The proposed Settlement Agreement will also be located on the Commission's eDocket system in *Formal Case No. 1119* and can be obtained at http://www.dcpssc.org/edocket/docketsheets_pdf_FS.asp?caseno=FC1105&docketno=37&flag=D&show_result=Y.

Interested persons who are not parties to this proceeding may also submit written comments or statements regarding the proposed Settlement Agreement to Brinda Westbrook-Sedgwick, Commission Secretary, Public Service Commission of the District of Columbia, 1325 G Street, N.W., Suite 800, Washington D.C. 20005, or by email at Psc-commissionsecretary@dc.gov, on or before December 18, 2015, the date the record closes.

⁹ *Formal Case No. 1119*, Order No. 18011, rel. October 28, 2015 ("Order No. 18011").

¹⁰ 15 DCMR § 130.11 (1992).

¹¹ 15 DCMR § 130.12 (1992).