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From the Publisher's Desk...

Pepco-Exelon Merger Visited Once Again

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Unfortunately, we find it necessary to once again vent about this merger, now officially approved by the DC Public Service Commission (PSC) and vigorously being implemented by the giant Chicago-based Exelon Corporation. We have editorialized against this travesty on three different occasions starting in June of 2015 and most recently two months ago. (See "Pepco-Exelon: the Zombie That Will Eat Us Ratepayers," [April 2016 issue](#).)

But it's now a done deal, why yet another discussion? Here's why: we want our readers to understand so that they will know about all the under-the-table wheeling & dealing that went on, especially by the Mayor who we believe didn't have a clue that her intercession during the early stages would bring about more and more electric rate hikes

The trigger for us jumping back into this distressing train wreck was the joint press release issued on June 30th by Ward 3 Councilmember Mary M. Cheh and at-large Councilmember Elissa Silverman in response to the announcement by Pepco (they seem to speak for Exelon) that it had submitted an \$85.5 million rate increase to the PSC:

"No sooner does the ink dry on the merger than Pepco issues a request for District residents to pay the largest single rate increase in decades. We predicted that this would happen and now it has come to pass in the District as it has in other jurisdictions bound to Exelon. We can only hope that the Public Service Commission will push back against this exorbitant request and limit it to the barest increase it can justify. The Office of the People's Counsel's new Merger Compliance Team should act as a vigilant watchdog. This recent action underscores the need to study a public-power option and pursue sustainable, alternative energy sources in the District of Columbia."

Councilmember Cheh chairs the Council's transportation and environment committee and Councilmember Silverman serves as a member of the business, consumer and regulatory affairs committee; between the two of them they are uniquely well qualified to be our political advocates when it comes to this business.

(By the way, are we the only ones who have especially noticed that this bombshell was dropped at the start of a long holiday weekend, particularly this one when vast numbers of residents make it the start of their summer vacation? Fortunately these political watchdogs were right here keeping eyes open for things like this!)

And what about this from the Office of People's Counsel (OPC)?:

Should the \$85.5 million rate hike be approved, the average residential bill would increase by . . . 5.25 percent per

month. While Pepco has proposed a residential credit that would shield consumers from paying any increase in rates from this case until 2019, there is no guarantee the Commission will grant the request, *particularly since the PSC categorically rejected a similar provision in its order approving the merger.*" [Emphasis supplied by us.]

OPC is charged by statute to serve as the advocate for DC's consumers. And, in this regard, having noted that "since 2006, Pepco has been received almost \$96 million in four rate cases," it is OPC's duty and intention to do its utmost to seek action by the PSC denying the applied-for increase except to the barest minimum that will ensure service reliability. OPC has announce that it is "actively . . . evaluating the Commission's order denying OPC's request for reconsideration to determine whether to file an appeal with the DC Court of Appeals."

Even though at the time of this writing OPC had not yet decided about appealing, from Anya Schoolman, the Community Power Network's executive director, shared with us a statement from Public Citizen which, emphasizing that Pepco's rate increase application called for a "whopping" increase of 10 times of any previous rate increase applications when Pepco was just Pepco! Especially in light of this, among other reasons, Public Citizen has announced it will definitely challenge the PSC in the DC Court of Appeals.

Unfortunately, persons close to and knowledgeable about the inside workings of public utility adjudications in the District are not optimistic that an appeal will result in a different outcome. Nevertheless, hope springs eternal. But even if no reversal, DC voters need not to forget the Mayor's early role (see "Pepco-Exelon Deal Smacks of Pay to Play," [December 2015 issue](#)) notwithstanding that she later tried to reverse here enthusiasm for the takeover — calculating that voters won't remember. Let's stay vigilant and prove her calculating wrong.



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