MARYLAND
Public Service Commission

CONTACT: Tori Leonard
410-767-8054
443-680-1619 (c)
tori.leonard@maryland.gov

For Immediate Release

Maryland PSC Approves $48 Million in Additional Exelon-PHI Funds for Pepco and Delmarva Customers

Energy Efficiency Programs, Low Income Customers to Benefit

(BALTIMORE, MD—April 12, 2017)--The Maryland Public Service Commission today allocated an additional $48 million in financial benefits to Maryland ratepayers, a result of the Commission's approval nearly two years ago of the merger between Exelon Corporation and Pepco Holdings, Inc. The merger (Case No. 9361) initially resulted in more than $127 million in financial customer benefits; today's action brings that total to $175 million.

The Commission's Order, No. 88128, directs Exelon to target the additional funding to programs benefiting nearly 800,000 Maryland customers of Exelon subsidiaries Potomac Electric Power Company (Pepco) and Delmarva Power & Light. Nearly $22 million of that amount is to be allocated to energy efficiency programs in Montgomery and Prince George's counties (Pepco's service territory); $8 million will go to energy efficiency programs in Delmarva's service territory and $6.7 million will support programs that help low-and-moderate income customers of both Pepco and Delmarva pay their utility bills.

Of the remaining amount, $9 million will provide benefits to commercial and industrial customers in the Pepco and Delmarva service territories through the Maryland Energy Administration's energy efficiency programs, and $2 million will be used to support the Commission's efforts in Public Conference 44—a targeted review of Maryland's electric grid that is seeking ways to provide a more affordable, reliable and sustainable electric distribution system.

When the Commission approved the merger in May of 2015, it imposed 46 conditions – the last of which was the Most Favored Nation provision. Because the merger required the approval of several other states and jurisdictions, including the District of Columbia, the Commission sought to ensure that financial benefits afforded to Maryland ratepayers would be increased if a subsequent analysis revealed that benefits provided in other states as a condition to approve the merger had a higher dollar value per customer. In November 2016, Exelon, in conjunction with several interested parties, submitted recommendations to implement the most favored nation provision and allocate the additional proceeds, finding that Maryland's benefits were lower on a per customer basis than those provided to ratepayers in the District.

Another of the 46 merger conditions directed part of the original $127 million in customer benefits to fund bill credits totaling $100 for Delmarva and Pepco residential customers; those bill credits were distributed in $50 increments, with the first installment occurring in April of 2016, and the second installment occurring during this April billing cycle.

In another merger condition, the Commission ordered Exelon to establish a no-cost loan program for Montgomery and Prince George's counties to spur investment in renewable energy, energy efficiency, microgrids or similar projects. In today's order, the Commission approved Exelon's request to convert the $14.4 million Green Sustainability Fund to a full grant, meaning the counties would not have to return any of the capital at the end of the program's 20-year term.

###

About the Public Service Commission:

The Maryland Public Service Commission regulates electric and gas utilities, telephone companies (land lines), certain water and sewer companies, passenger motor vehicle carriers for hire (sedans, limousines, buses, Uber, Lyft), taxicab companies (in Baltimore City and County, Cumberland and Hagerstown) and bay pilot rates.

Like us on Facebook: Facebook.com/MarylandPSC.gov
Follow us on Twitter @MarylandPSC