OPC's Position on the Seven Public Interest Factors

Public Interest Factor	OPC's Position Regarding the Merger
1. The effect of the transaction on ratepayers, shareholders, the financial health of the utilities standing alone and as merged, and the economy of the District.	The merger is not in the public interest as the only tangible benefit for consumers consists of the Customer Investment Fund which provides them with a one-time credit of $50. However, the merger is very beneficial for Exelon in that they gain a stable source of revenue and Pepco's shareholders will receive a huge financial windfall. The merger will also harm the District's economy as there will be a loss of high-paying jobs.
2. The effect of the transaction on utility management and administrative operations	The merger will likely reduce District-specific input into corporate governance and cause the loss of high-paying jobs. The potential loss of Pepco's management could severally impact Pepco's current support of many of the city's renewable goals.
3. The effect of the transaction public safety and the safety and reliability of services.	The proposed merger is not in the public interest because Exelon will deliver a lower level of reliability than Pepco would provide. The application is devoid of any specific plans to address vegetation management and feeder maintenance – two areas critical for improving reliability.
4. The effect of the transaction risks associated with all of the Joint Applicants' affiliated non-jurisdictional business operations, including nuclear operations.	Exelon has a number of business interests outside of the District of Columbia. Unless a strong set of protective measures are in place to guard against legal or financial issues associated with those businesses outside of the city, District consumers could be negatively impacted.
5. The effect of the transaction on the Commission's ability to regulate the new utility effectively.	The merger will increase the difficulty of Commission oversight particularly during rate cases. Ratepayers could also be negatively impacted by Exelon's positions, which are not subject to Commission approval, at the federal level or at the PJM that could result in higher rates.
6. The effect of the transaction on competition in the local retail, and wholesale markets that impacts the District and District ratepayers.	The merger will likely have a detrimental impact on the wholesale electricity markets because Exelon could exert inordinate control over the PJM stakeholder process where energy stakeholders deliberate and vote on changes to market rules which are ultimately submitted to FERC for approval. Should the merger be approved, PHI's traditional advocacy for customer interests in the PJM stakeholder process will be effectively silenced by Exelon. Exelon's generation-driven priorities in PJM would conflict with and nullify PHI's historic emphasis on cost implications and reliability for consumers.
7. The effect of the transaction on conservation of natural resources and preservation of environmental quality.	The merger is not in the public interest because it will likely undermine the District's goals regarding the conservation of natural resources and preservation of environmental quality as a result of Exelon's longstanding resistance to policies promoting renewable energy.