



New Jersey Board of Public Utilities

NEWS RELEASE

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New Jersey Board of Public Utilities Approves Exelon and Pepco Holdings Inc. Proposed Merger

Today, the New Jersey Board of Public Utilities (Board) approved a merger between Exelon and Pepco Holdings, Inc. (Company). The Board approved settlement, which was reached between Board Staff, the Company and other parties will improve reliability of service and protect Atlantic City Electric jobs. The settlement also creates a \$62 million Customer Investment Fund to benefit Atlantic City Electric's (ACE) ratepayers.

“This merger represents a great compromise that will provide many benefits to New Jersey, including \$62 million worth of direct rate credits for customers of Atlantic City Electric,” said Richard S. Mroz, President of the New Jersey Board of Public Utilities. “Additionally, the settlement protects the jobs of nearly a thousand New Jersey residents and keeps the Company's local operational headquarters in Mays Landing.”

The settlement has many other benefits for New Jersey and ACE ratepayers, including:

- A five-year program to provide \$15 million in energy-efficiency savings to ACE customers;
- The hiring of 60 union employees and protection of compensation and benefits for current employees;
- Continuation of ACE's charitable contributions and local community support levels of approximately \$700,000 for 10 years;
- Continued infrastructure investments with commitments to improve ACE's reliability performance.

The settlement also included a most favored nation clause, ensuring New Jersey will receive at least equal customer benefits if the settlement stipulations for the Public Service Commission of the District of Columbia, the Maryland Public Service Commission, or the Delaware Public Service Commission contain materially better benefits for ratepayers.

The merger will bring together Exelon's three electric and gas utilities with Pepco Holdings' three electric and gas utilities, including ACE.

About the New Jersey Board of Public Utilities (NJBP)

The NJBP is a state agency and regulatory authority mandated to ensure safe, adequate and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by the NJBP include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about the NJBP, visit our web site at www.nj.gov/bpu.