

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY, INC.,)
EXELON CORPORATION, PEPCO HOLDINGS, INC.,)
PURPLE ACQUISITION CORPORATION, EXELON) PSC DOCKET NO. 14-193
ENERGY DELIVERY COMPANY, LLC, AND)
SPECIAL PURPOSE ENTITY, LLC FOR APPROVALS)
UNDER THE PROVISIONS OF 26 *DEL. C.* §§ 215)
AND 1016)
(FILED JUNE 18, 2014))

ORDER NO. 8718

AND NOW, this 3rd day of March, 2015, the Delaware Public Service Commission ("Commission") determines and orders the following:

1. On June 18, 2014, Delmarva Power & Light Company ("Delmarva"), Exelon Corporation ("Exelon"), Pepco Holdings Inc. ("PHI"), Purple Acquisition Company, Exelon Energy Delivery Company, LLC, and Special Purpose Entity, LLC ("Merger-Sub") (collectively the "Joint Applicants") filed an application seeking approvals under 26 *Del. C.* §§215 and 1016 for a change of control of Delmarva to be effected by a merger of PHI with Merger-Sub, a wholly owned subsidiary of Exelon.

2. The representatives of the Applicants, the Division of the Public Advocate and Commission Staff agreed to a schedule that extends the review process until January 6, 2015, which schedule was incorporated into a Scheduling Order that was attached and approved by this Commission in its opening order in this docket. See PSC Order No. 8591 dated July 8, 2014.

3. Pursuant to Order No. 8616 (August 19, 2014), we authorized the Hearing Examiner to adjust the procedural schedule with the concurrence of the parties. See Order No. 8616, ¶2.

4. With the agreement of the parties, the Hearing Examiner subsequently changed some of the dates for this proceeding and also scheduled evidentiary hearings for this matter for February 18, 19, and 20, 2015.

5. On February 13, 2015, the Joint Applicants filed a Motion to Amend the Scheduling Order ("Motion to Amend"). In that motion, the Joint Applicants informed us that they had engaged in extensive settlement negotiations with the parties and had reached a settlement agreement ("Settlement Agreement") with Commission Staff and most of the parties that intervened in this proceeding. Based on the settlement reached, the Joint Applicants requested that we amend the Scheduling Order by canceling the hearings scheduled for February 18, 19, and 20, 2015, and in lieu thereof schedule a hearing to consider whether the Settlement Agreement is in the public interest. The Joint Applicants also requested that April 21, 2015, be the hearing date and that we issue a (final) order on or before May 5, 2015. Finally, the Joint Applicants waived the 120-day deadline established in 26 *Del. C.* §1016 to accommodate the revised schedule proposed in its Motion to Amend.

6. An intervenor in the proceeding, Dr. Jeremy Firestone ("Firestone"), filed a Response to the Motion to Amend (the "Response") on February 16, 2015, and urged this Commission to deny in

part the Motion to Amend because, among other reasons, he will be out of the country on April 21, 2015.

7. The Joint Applicants filed a Reply in Support of its Motion to Amend on February 17, 2015. In such reply, the Joint Applicants set forth legal reasoning and support as to why their Motion to Amend should be granted notwithstanding Firestone's Response.

8. On February 18, 2015, we heard arguments from all of the parties who attended the evidentiary hearing. The Joint Applicants again requested that we postpone the evidentiary hearings and set April 21, 2015, and Firestone requested that the hearing on the Settlement Agreement be rescheduled to June 16, 2015 or later.

9. We also requested and received input from all of the other parties who attended the evidentiary hearing. All of the parties who attended the evidentiary hearing (except Firestone) supported the Motion to Amend.

10. On the suggestion of Commission Staff, we directed the parties to confer concerning the hearing date that would better accommodate Firestone's schedule. After the parties conferred, they advised the Commission that an April 7, 2015, would better accommodate Firestone's schedule. As was noted on the record, the proposed hearing date may present issues the Department of Natural Resources and Environmental Control ("DNREC") and the parties and the Commission may need to accommodate DNREC to ensure that its testimony can be presented during the April 7, 2015 evidentiary hearing. With the agreement of the parties, the Commission determined to schedule the

hearing on the Settlement Agreement, and to schedule deliberations for April 21, 2015.

11. Having reviewed the record in this case, including the Motion to Amend, the Response, and the Reply; and having heard oral argument from the participants and deliberated in public at the February 18, 2015 hearing; and having noted that the hearing was duly-noticed as required by Delaware law; and having allowed the parties to negotiate on the issue of amending the Scheduling Order, we now find as follows:

**NOW, THEREFORE, IT IS ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

12. We have jurisdiction over this matter pursuant to 26 *Del. C.* §§ 201 and 512 and 29 *Del. C.* §10128.

13. The Joint Applicants have agreed in writing to waive the statutory deadline set forth in 26 *Del. C.* §1016.

14. Based on the representation of the parties as presented to us, which includes the agreement of all of the parties to reschedule the evidentiary hearings to April 7, 2015, with final deliberations to be held on April 21, 2015, we find this agreement is in the public interest. We rule that the evidentiary hearings for this matter are postponed until April 7, 2015. We will deliberate on the evidence presented to us on April 21, 2015, at our regularly-scheduled meeting which will now begin at 10:00 a.m. (rather than our usual time of 1:00 p.m.). We anticipate that the evidence to be presented to us will focus on the acceptance or non-acceptance of the terms of the Settlement Agreement and whether such terms meet the public interest

and other statutory requirements as set forth in 26 Del. C. §§215(d), 512, and 1016.

15. We also rule that all practical accommodations should be made by the Hearing Examiner to include Firestone technologically in the deliberations for April 21, 2015, but Firestone is not required to be present at such meeting date.

16. The Commission reserves the jurisdiction and authority to enter such further Order or Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Acting Secretary