

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

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

**JOINT APPLICANTS’ ANSWER TO INTERVENOR
JEREMY FIRESTONE’S INTERLOCUTORY APPEAL**

The Joint Applicants respectfully oppose the interlocutory appeal filed by Intervenor Jeremy Firestone on September 22, 2014 (the “Appeal”), stating as follows:

BACKGROUND

1. This docket concerns an application for approval of a merger of Pepco Holdings, Inc. (“PHI”), and Exelon Corporation (“Exelon”), filed June 18, 2014 (the “Application”). On July 8, 2014, the Commission designated Senior Hearing Examiner Mark Lawrence to serve as the Hearing Examiner for this matter, expressly empowering the Hearing Examiner to grant or deny petitions for intervention and to “monitor and resolve discovery disputes among the parties.” Order No. 8581

¶ 2. On August 5, 2014, the Hearing Examiner granted Mr. Firestone’s petition for intervention and the intervention applications of seven other interested parties. Order No. 8603. Although motion practice and negotiations have occurred with respect to some staff discovery, discovery taken by the seven other intervenors has proceeded under the Scheduling Order without any significant issues. In the case of Mr. Firestone, however, due to numerous defects in his discovery requests as summarized below, motion practice has proceeded before the Hearing Examiner.

2. On July 31, 2014, Mr. Firestone served his initial data requests on the Joint Applicants (the “First Requests”), and the Joint Applicants responded on August 20, 2014. On

August 21, 2014, Mr. Firestone filed a motion to compel further responses to discovery (the “First Motion to Compel”), and the Joint Applicants responded on August 26, 2014. On August 27, 2014, the Hearing Examiner entered Order No. 8624, substantially denying the First Motion to Compel, and determining that nearly all of the Joint Applicants’ prior discovery responses were sufficient. Not to be deterred, Mr. Firestone later filed a Motion for Reconsideration of Order No. 8624 on September 8, 2014, to which the Joint Applicants responded on September 11, 2014.

3. On August 29, 2014, Mr. Firestone served follow-up discovery requests (the “Second Requests”). On September 3, 2014, the Joint Applicants served objections to Mr. Firestone’s Second Requests, and on September 4, 2014, the Joint Applicants served an amended/corrected set of objections.

4. On September 5, 2014, Mr. Firestone filed a second motion to compel (“Second Motion to Compel”). In accordance with the Scheduling Order, on September 12, 2014, the Joint Applicants responded to the Second Requests, in many cases providing substantive responses to requests as to which they had previously preserved an objection. On September 15, 2014, the Joint Applicants filed a response to the Second Motion to Compel. On September 17, 2014, the Hearing Examiner entered Order No. 8637, which denied the Second Motion to Compel and denied the Motion for Reconsideration of Order No. 8624. Mr. Firestone now appeals, requesting that the Commission vacate Order No. 8624 and Order No. 8637, and further requesting that the Hearing Examiner be removed. Mr. Firestone’s Appeal is without merit and should be denied.

ARGUMENT

5. Mr. Firestone’s First Requests and Second Requests are patently overreaching, burdensome and argumentative, even applying a lenient standard afforded to *pro se* litigants.¹

¹ Although Mr. Firestone is trained as a lawyer, his discovery requests, whether by design or as a result of misunderstanding, ignore established principles of reasonable discovery practice. The deference afforded to a *pro se* litigant should not apply to Mr. Firestone, whose petition to intervene

Although space limitations of Commission Rule 2.16.3 do not allow for a comprehensive assessment of each and every objectionable discovery request served by Mr. Firestone, the Joint Applicants earlier filed responses to Mr. Firestone's Motions to Compel that addressed, in exhaustive detail, the objectionable nature of many requests, and explained why such requests were improper.² To cite a few of the most egregious examples of Mr. Firestone's improper approach to the discovery process:

- (a) Interrogatory No. 9 in the First Requests would have Exelon identify "each instance" in which it considered "external costs" in the acquisition of supply and "explain how it did so for each such instance" (*see* Exhibit 1 at pp. 5-6);
- (b) Document Request No. 4 in the First Requests would require Exelon to produce "each and every Exelon communication or document" related to thirty separate subject matters, many of which are described in limitless fashion, including, for example, "the social cost of carbon" and "Climate Change/Global Warming" (*see* Exhibit 1 at pp. 10-11); and
- (c) The Second Requests include 77 different requests for admission that would have the Joint Applicants admit, as fact, numerous vague, argumentative or irrelevant assertions of Mr. Firestone, including, for example, that "RPS laws are a down payment toward a sound climate policy," that "Delaware RPS plays favorites," that "Exelon is more interested in protecting the profitability of the large number of nuclear generation plants it owns than in advancing the interests of Delmarva Power ratepayers," or that "Many nuclear plants in France are load following" (*see* Exhibit 2 ¶¶ 10-25).

6. Although the Joint Applicants endeavored in good faith to respond to Mr. Firestone's discovery where it involves factual matter that is relevant to the docket, and is susceptible to a factual response, the Joint Applicants properly objected to many of Mr. Firestone's requests on the grounds that they are vague, overly broad, unduly burdensome, argumentative and call for speculation. For the most part, these objections were sustained based upon Hearing Examiner Lawrence's detailed review of each specific request, and the specific response, and in accordance

trumpeted his prior experience as a lawyer with the EPA and the State of Michigan. *See* Firestone Petition to Intervene ¶¶ 20-23.

² The Joint Applicants incorporate their prior responses by reference and attach them hereto as Exhibits 1 and 2, respectively.

with law. Recognizing the vexatious nature of Mr. Firestone's discovery, the Hearing Examiner limited his opportunity to conduct further discovery, acknowledging that such an action was "unprecedented" by the Hearing Examiner, but also noting that it is warranted in this particular case, and entirely consistent with Commission Rules. Order No. 8637 ¶ 11; 26 Del. Admin. Code § 1001-2.9.4. There is no basis to reverse the Hearing Examiner's consideration of these issues. Moreover, Mr. Firestone's suggestion that the Hearing Examiner be removed is completely baseless and should be rejected.

7. Discovery must be proportional to the matters inquired into, and courts will balance the burden upon the answering party with the benefit to the party seeking discovery. Wright & Miller, Federal Practice & Procedure § 2174. Discovery that amounts to a "fishing expedition" is routinely disallowed. See *In re Chesapeake Utilities Corp.*, Dkt. No. 12-292, 2012 Del. PSC LEXIS 79 at *7-*8 (Aug. 22, 2013), Hearing Examiner Op. at ¶ 19 (noting that Hearing Examiner will rule on any claims of unwarranted or unduly burdensome discovery and will not allow docket to become a "fishing expedition"). Further, as the Joint Applicants argued to the Hearing Examiner, and the Hearing Examiner held, discovery should address issues of fact, not matters of opinion, conclusion or speculation. See Order No. 8637 ¶ 9. In proceedings before the Commission, the Hearing Examiner may limit or vary the discovery procedures in the interests of justice. See 26 Del. Admin. Code § 1001-2.6.4.

8. Applying those principles here, the Hearing Examiner properly exercised the discretion entrusted to him, reviewed the specific objections and responses of the Joint Applicants in context, and ruled. To date, the Joint Applicants have been served with over data 685 requests (with 925 subparts) (including Mr. Firestone's First and Second Requests), and they have responded with extensive written answers and production of voluminous documents. Virtually all of those answers and documents have been made available to Mr. Firestone. The fact that the Joint

Applicants are not obliged to also answer Mr. Firestone's exceedingly broad and open-ended discovery does not constitute "substantial injustice" or a "detriment to the public interest" that would justify an interlocutory appeal under Commission Rule 2.16.1. 26 Del. Admin. Code § 1001-2.16.1.

9. Mr. Firestone's current Appeal consists of a laundry list of claims that he has been treated unfairly. Tellingly, the Appeal lacks any substantive defense of the objectionable discovery that was ruled upon. Mr. Firestone's dissatisfaction is irrelevant, and results from his own unreasonable conduct in this proceeding. That conduct warrants the unusual (and in the Hearing Examiner's case, unprecedented) step of limiting further efforts by Mr. Firestone to serve even more disruptive and abusive discovery. There is no basis to reverse Order No. 8624 or Order No. 8637, and absolutely no basis to remove Senior Hearing Examiner Lawrence.

CONCLUSION

For the reasons stated above, the Joint Applicants respectfully request that Mr. Firestone's Appeal be denied in its entirety and dismissed.

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September 24, 2014

EXHIBIT 1

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

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

**JOINT APPLICANTS' RESPONSE IN OPPOSITION TO
INTERVENOR JEREMY FIRESTONE'S MOTION TO COMPEL**

The Joint Applicants respectfully oppose the motion to compel production of discovery responses (the "Motion"), filed August 21, 2014, by Intervenor Jeremy Firestone. As grounds for their opposition to the Motion, the Joint Applicants state as follows:

BACKGROUND

This docket concerns an application for approval of a merger of Pepco Holdings, Inc. ("PHI"), and Exelon Corporation ("Exelon"), filed June 18, 2014 (the "Application"). On July 27, 2014, Mr. Firestone petitioned to intervene in his personal capacity. In his Petition for Intervention, Mr. Firestone identified certain interests personal to himself that he contended were not adequately protected by the participation of the other parties to the docket. Mr. Firestone's Petition focused particularly on (i) Mr. Firestone's interests in the potential environmental impacts of energy production, including impacts related to carbon dioxide and related to fish and other wildlife, and (ii) Mr. Firestone's interest in renewable energy. *See* Firestone Petition to Intervene ¶¶ 5-12.

On July 30, 2014, the Hearing Examiner granted Mr. Firestone's Petition for Intervention. On August 5, 2014, the Hearing Examiner entered Order No. 8603, confirming Mr. Firestone's intervention (and confirming the granting of other petitions for intervention).

On July 31, 2014, Mr. Firestone served certain data requests, including interrogatories and requests for production of documents, on the Joint Applicants. The Joint Applicants responded to Mr. Firestone's data requests on August 20, 2014. The Joint Applicants' responses provided extensive answers to Mr. Firestone's data requests.¹ Additionally, the Joint Applicants have made available to Mr. Firestone approximately 374 documents (consisting of approximately 478 megabytes of data). Although the Joint Applicants responded to Mr. Firestone's requests (other than requests which were voluntarily withdrawn), in certain instances, the Joint Applicants objected where the request as framed was overly broad, and where the information requested was outside of the scope of Mr. Firestone's intervention. *See Responses to Firestone Interrogatories Nos. 14, 16, 17.* With respect to certain other matters, where Mr. Firestone's discovery requests would purport to call for an exhaustive recitation of facts that are already are matters of public record, the Joint Applicants referred Mr. Firestone to the public documents that address the matters inquired about in the data request, and objected to such requests to the extent that they are overly broad and burdensome. *See Responses to Firestone Interrogatories Nos. 9, 14, 16, 17.*

On August 21, 2014, Mr. Firestone filed the Motion.

ARGUMENT

While proceedings before the Commission often involve discovery and such discovery is authorized under the Commission's Rules of Practice and Procedure, 26 Del. Admin. Code § 1001-2.6, discovery that is authorized, like discovery in any other type of proceeding, must be

¹ The Joint Applicants' responses to the Firestone interrogatories and document requests are attached as Exhibits A and B, respectively.

reasonable and not unduly burdensome or overly broad. A party need not respond to discovery that is overly broad or unduly burdensome. *See, e.g., In re Tyson Foods, Inc., Consol. S'holder Litig.*, 2007 Del. Ch. LEXIS 134 at * 10 (Del. Ch. Sept. 11, 2007).

Discovery must be proportional to the matters inquired into, and courts will balance the burden upon the answering party with the benefit to the party seeking discovery. Wright & Miller, Federal Practice & Procedure § 2174. Discovery that amounts to a “fishing expedition” is routinely disallowed. *See In re Chesapeake Utilities Corp.*, Dkt. No. 12-292, 2012 Del. PSC LEXIS 79 at *7-*8 (Aug. 22, 2013), Hearing Examiner Op. at ¶ 19 (noting that Hearing Examiner will rule on any claims of unwarranted or unduly burdensome discovery and will not allow docket to become a “fishing expedition”). *See also, e.g., J.P. Morgan Chase & Co. v. American Century Cos., Inc.*, 2013 Del. Ch. LEXIS 101 at * 5 (Del. Ch. Apr. 18, 2013) (noting that the court may narrow the scope of discovery to guard against fishing expeditions or to ensure that discovery sought is properly related to the proceeding) (citing *Product Resource Group, LLC v. NCT Group, Inc.*, 863 A.2d 772, 802 (Del. Ch. 2004) (internal citations omitted)).

Further, and contrary to Mr. Firestone’s assertions in the Motion, discovery by an intervenor in proceedings such as this docket is appropriately limited to the scope of the intervenor’s claimed interest in the proceeding. For example, in *In re Chesapeake Utilities Corp.*, Dkt. No. 07-186, 2007 Del. PUC LEXIS at *3 (Dec. 4, 2007), the Commission expressly directed that the Hearing Examiner limit discovery of an intervenor, the Delaware Association of Alternative Energy Providers, Inc., or “DAAEP”, to the matters raised by its intervention: “the Hearing Examiner can minimize the costs caused by DAAEP’s intervention by disallowing discovery from DAAEP that is unrelated to its interest in this case or that is otherwise unduly burdensome.” (Emphasis added). *See also, e.g., In re Waste Management of Alaska, Inc.*, No.

U-00-30, 2002 Alaska PUC LEXIS 116 at *3 (Mar. 22, 2002) (denying intervenor's request that it be provided all discovery provided to other intervenors where such discovery did not relate to intervenor's service territory); *In re Application of Pasha Hawaii Transport Lines LLC*, Dkt. No. 2009-0059, 2011 Haw. PUC LEXIS 34 at *2 (Jan. 13, 2011) (Commission grants procedural scheduling order and notes that "discovery shall be conducted in accordance with the commission's prior discovery rulings and shall be limited to non-confidential information that falls within the scope of YB's intervention"). Mr. Firestone's supposition that his intervenor status conveys upon him the ability to take whatever discovery he wants, related to any issue that interests him, is misplaced.²

Each of the Motion's specific arguments, together with the Joint Applicants' response, is separately set forth and discussed below.

Interrogatory No. 8. In Interrogatory No. 8, which includes 13 expansive separate subparts, Mr. Firestone inquires about the deployment and expansion of micro-grid technology, "smart grid" technology, electrical vehicle charging, energy storage, natural gas leaks and water use. In an effort to respond to the interrogatory, Exelon referred to its commitments to follow regulatory rules and practices in other states where Exelon and its affiliates do business, and also referred Mr. Firestone to certain published documents that related to his inquiries. With respect to those parts of the interrogatory that requested Exelon's plans for PHI's service territories, Exelon responded that it does not currently operate in such territories (nor is it permitted to do

² As a related matter, under the Rules of the Commission, discovery that is provided on a confidential basis to Commission Staff and the Division of Public Advocate may be withheld from intervenors depending on the circumstances. *See* 26 Del. Admin. C. § 1001-1.11.5 (distinguishing between the Commission, Staff and Public Advocate and other parties with respect to access to non-public data); *see also In re Application of Delmarva Power & Light Company*, Dkt. No. 11-528, 2012 Del. PSC LEXIS 151 at * 61 (Dec. 18, 2012) (noting that intervenor (Representative Kowalko) had been granted intervenor status and thereafter received non-confidential discovery materials).

so, pending regulatory approvals including the one sought from the Commission in this proceeding). Exelon has no concrete plans with respect to PHI's service territories for the vast array of issues Mr. Firestone asks about. Indeed, the development of policies with respect to the wide area of issues Mr. Firestone inquires about will occur as a part of the integration of PHI's and Exelon's operations post-merger, and will involve input from and collaboration with local stakeholder groups and interaction with regulatory authorities in each of the jurisdictions where Exelon's and PHI's operations will be combined. Exelon cannot be compelled to formulate and disclose strategies or plans on a multitude of issues simply to satisfy Mr. Firestone's curiosity.

Interrogatory No. 9. In Interrogatory No. 9, Mr. Firestone requests that Exelon “[i]dentify each instance in which Exelon took into account external costs in acquisition of supply by its existing energy distribution utilities and explain how it did so for each such instance.” The Joint Applicants submit that Interrogatory No. 9 is plainly overbroad on its face, and indeed, is nearly unintelligible. The interrogatory does not explain what “external costs” are referred to, or how Exelon could meaningfully discuss “each instance” of the consideration of external costs for the acquisition of supply for numerous differently situated utilities for an undefined period of time. Exelon's utilities service millions of customers in three different service territories. *See* Application ¶ 7. It would be unduly burdensome to compel Exelon to compile a description or explanation of “each instance” in which its utility affiliates acquired energy supply. Moreover, in each jurisdiction where Exelon utilities provide service, the acquisition of supply is a competitive and transparent process that is documented in great detail with regulatory authorities. Documents related to acquisition of supply by such utilities are matters of public record and are available through the Internet. *See, e.g.,* Petition of PECO Energy Company for Approval of its Default Service Program for the Period June 1, 2015

through May 31, 2017 (available on-line at <http://www.puc.state.pa.us/pdocs/1272415.pdf>); Illinois Power Agency Procurement Events (explaining Illinois energy procurement process for ComEd and other Illinois utilities) (available on-line at <http://ipa-energyrfp.com/download/Invitation%20to%20Comment%203-11-2014%20posted.pdf>). Further, Exelon's utilities are bound by and comply with renewable portfolio standards that have been adopted within the jurisdictions where such utilities operate.

Interrogatory No. 14. Mr. Firestone's Interrogatory No. 14 would have the Joint Applicants "[s]eparately for Exelon and [PHI], identify the purpose(s), including any factors considered, of entering into the merger and/or acquisition." This interrogatory is clearly overly broad and unduly burdensome. Further, the consideration of the merger and the purposes behind the merger are exhaustively disclosed in both the Application filed with the Commission and in public filings submitted to the United States Securities and Exchange Commission ("SEC"). Specifically, proxy materials filed with the SEC on August 12, 2014, document in detail the background for the merger transaction, the negotiation of the merger by Exelon and PHI, and the reasons that the transaction has been pursued. *See* Pepco Holdings, Inc., Schedule 14A filed with the SEC on August 12, 2014 (the "Proxy Statement").³ Mr. Firestone's demand that the Joint Applicants "separately describe" each "purpose" or "factor" related to the merger is patently unreasonable and overly broad. The purposes for the merger are explained in both the Application presently pending before the Commission and are the subject of extensive discussion in the publicly available Proxy Statement. *See* Application ¶¶ 24-31(g) (summarizing impacts

³ The complete Proxy Statement has been filed and made available in the electronic data room set up by Joint Applicants for this proceeding, to which Mr. Firestone has access. The Proxy Statement is also available on PHI's web-site, www.pepcoholdings.com (under "Investor Relations"/"SEC Filings"). For the convenience of the Hearing Examiner, pages of the Proxy Statement referenced in this Response are attached as Exhibit C.

and benefits of the merger); Proxy Statement at pp. 25-32 (summarizing the background and the negotiation of the merger transaction), pp. 32-34 (summarizing the reasons for the merger and the recommendation of PHI's board of directors)

Interrogatory No. 15. In Interrogatory No. 15, Mr. Firestone requests that the Joint Applicants identify “the ways, if any, that the acquisition and change of control, if approved, would be adverse to the public interest...” The Joint Applicants cannot meaningfully answer this puzzling inquiry. The Joint Applicants have submitted with their Application evidence documenting that the proposed merger is in fact “consistent with the public interest,” as required by 26 Del. C. § 215(e). *See* Application at ¶¶ 24-31(g) and related testimony. The Joint Applicants are aware of no manner in which the proposed transaction would not be “consistent with the public interest” and the discovery process is not a forum to debate with Mr. Firestone. Discovery should be addressed to factual matters, not legal conclusions or opinions. *See, e.g., Fedena v. August*, 2014 Del. Super. LEXIS 74 at *8-*9 (Del. Super. Feb. 10, 2014) (interrogatory that called for legal conclusions or opinions served no purpose and did not require an answer); *Papen v. Suburban Propane Gas Corp.*, 229 A.2d 567, 570 (Del. Super. 1967) (interrogatory calling for “conclusions and opinions” rather than facts was objectionable and need not be answered), *rev'd on other grounds*, 545 A.2d 795 (Del. 1968).

Interrogatory No. 16. In Interrogatory No. 16, Mr. Firestone makes a series of inquiries concerning Exelon's acquisition of Constellation Energy and its wholly-owned subsidiary Baltimore Gas and Electric, approved by the Maryland Public Service Commission in 2012. The acquisition in question related to a different utility and a different regulatory authority, and involved the application of regulations and laws different from those at issue in this proceeding. The Constellation transaction also goes well beyond the scope of the asserted interests Mr.

Firestone relied upon for his intervention. Notwithstanding the lack of relevance of the unrelated proceedings involving Constellation, the Joint Applicants referred Mr. Firestone to the full, publicly available docket of the Maryland Public Service Commission, which provides exhaustive information concerning that transaction, including how the transaction was developed and approved, and what customer incentives were considered and adopted with respect to the application. In short, the Joint Applicants have provided Mr. Firestone with ample facts related to the prior transaction (which the Joint Applicants consider to be largely irrelevant). They are not further required to accept Mr. Firestone's efforts to use the discovery process as a means to spar with Joint Applicants over Mr. Firestone's characterizations of a different transaction that is not before the Commission.

Interrogatory No. 17. In Interrogatory No. 17, Mr. Firestone seeks information related to PHI's stockholders and outstanding stock. Certain information requested in this interrogatory, such as the number of PHI stockholders and the median number of PHI shares held, is virtually unknowable, due to the fact that shares are continuously traded, are purchased in lots by unidentified purchasers, and are often held in a nominee or broker name for other parties. Further, although this interrogatory is irrelevant to Mr. Firestone's stated basis for intervention, the Joint Applicants directed Mr. Firestone to the Proxy Statement, which provides extensive information related to PHI's outstanding stock, including the holdings of PHI executives. Proxy Statement at pp. 85-87. Contrary to Mr. Firestone's claims in the Motion (p. 7, ¶ 13g), the Proxy Statement identifies the number of PHI shares outstanding (251,504,866, *see* Proxy Statement at p. 86) and the number of restricted shares (90,275, *see* Proxy Statement cover page). The Proxy Statement information concerning PHI's stock is compliant with SEC requirements for disclosure of stockholdings, and is a more than sufficient response to Mr. Firestone's inquiry.

Interrogatory No. 28. Mr. Firestone's Interrogatory No. 28 seeks to require the Joint Applicants to identify all persons participating in a material way in responding to Mr. Firestone's interrogatories. The Joint Applicants object to having to identify all persons participating in preparing a response. Such a request is overly broad and not proper. *See Wright & Miller, Federal Practice & Procedure* § 2174 n. 8 (citing *Evans v. Local Union 2127*, 313 F. Supp. 1354 (N.D. Ga. 1969) (unduly burdensome to require corporate party to identify source of answers and any other source of information in responding to interrogatories)). In this case, due to the very broad nature of Mr. Firestone's inquiries, numerous personnel of both Exelon and PHI were involved in preparing responses.

Document Request No. 1. In Document Request No. 1, Mr. Firestone requests all documents related to any response of the Joint Applicants to Mr. Firestone's interrogatories. In other words, the request asks for everything Delmarva Power, PHI and Exelon have that is related to every question Mr. Firestone asks. This request is overly broad, unduly burdensome, outside the scope of Mr. Firestone's limited intervention, vague and ambiguous in the use of the phrase "related to a response to..." and fails to reasonably specify the identity and/or category of documents sought. As noted above, where documents were responsive to Mr. Firestone's inquiries, the Joint Applicants have identified and produced them. *See Responses to Firestone Interrogatories Nos. 5-8, 16-17.* Where appropriate, the Joint Applicants have identified specific documents to respond to specific inquiries. The Joint Applicants are required to do no more.

Document Request No. 2. Mr. Firestone objects that, in response to Document Request No. 2, the Joint Applicants did not supply curricula vitae for the persons submitting testimony to the Commission. The supplying of such detailed information is not necessary. For each testimony supplied by the Joint Applicants with the Application, the sponsoring witness's

background and competency to offer testimony is provided. *See* Application, Exhibit 1 at 1:1-4:2 (Crane); Exhibit 2 at 1:1-3:11 (Rigby); Exhibit 3 at 1:1-3:13 (O'Brien); Exhibit 4 at 1:1-2:6 (Alden); Exhibit 5 at 1:6-2:21 (Gausman); Exhibit 6 at 1:5-3:18 (Khouzami); Exhibit 7 at 1:6-4:3 (Tierney); Exhibit 8 at 1:2-2:19 (Butler). Mr. Firestone's request for further data than what has already been submitted is excessive.

Document Request No. 4. In Document Request No. 4, Mr. Firestone requests "each and every Exelon communication or document" relating to thirty separate matters. The burdensome nature of Mr. Firestone's request for "each and every Exelon communication or document" is exacerbated when placed into context with the completely open-ended and vague descriptions Mr. Firestone provides for the subject matters he inquires into, including, for example, the "cost," "reliability," or "intermittency" of wind power, a "diverse supply portfolio," "the social cost of carbon," "Climate Change/Global Warming," and "Ocean Acidification." Mr. Firestone's limitless inquiries for all manner of documents or information related to such overly broad topics are clearly beyond any rational notion of discovery. Indeed, Mr. Firestone's submission of generalized demands for all manner of "communications" and "documents" related to broadly stated phenomena (such as "global warming") from Exelon (a public company with approximately 26,000 employees), represents a textbook example of a "fishing expedition." The Hearing Examiner should reject Mr. Firestone's blunderbuss approach and deny his Motion to compel. *See, e.g., J.P. Morgan Chase & Co.*, 2013 Del. Ch. LEXIS 101 at *28-*29 (declining to order responses to overbroad document request); *Ridgaway v. Bender*, 2004 Del. Super. LEXIS 299 at *2-*3 (Del. Super. Sept. 14, 2004) (refusing to compel responses to "overburdensome and harassing" discovery); *Delmarva Drilling Co. v. American Water Well Sys.*,

Inc., 1988 Del. Ch. LEXIS 17 at * 7 (Del. Ch. Jan. 26, 1988) (rejecting document requests that were overly broad).

CONCLUSION

For the reasons stated above, the Joint Applicants respectfully request that Mr. Firestone's Motion be denied in its entirety.

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August 26, 2014

EXHIBIT A

JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO JEREMY FIRESTONE'S INITIAL PHASE INTERROGATORIES
REQUEST NO. 1

QUESTION NO. 1

- Q. FOR EACH WIND, SOLAR OR NUCLEAR PLANT OR PROJECT OWNED OR OPERATED BY EXELON OR FROM WHICH EXELON PURCHASES POWER, IDENTIFY
- (G) WHETHER THE PROJECT IS WIND, SOLAR OR NUCLEAR
 - (H) THE LOCATION OF THE PROJECT
 - (I) THE NUMBER OF MW OF THE PROJECT
 - (J) THE DATE OF COMMERCIAL OPERATION OF THE PROJECT
 - (I) THE NUMBER OF MW OF THE PROJECT
 - (J) THE DATE OF COMMERCIAL OPERATION OF THE PROJECT
 - (K) WHETHER THE PROJECT IS OWNED OR OPERATED, AND IF OWNED, THE FRACTION OWNED BY EXELON
 - (L) ANY WHOLESALE PURCHASER OF THE ENERGY, CAPACITY OR RENEWABLE ENERGY CREDITS ASSOCIATED WITH A PROJECT OWNED OR OPERATED BY EXELON

RESPONSE:

- A. Exelon-owned electric generating assets, including nuclear, solar and wind, and their respective capacity (MW), location, percent ownership, primary energy source are listed on page 65 to 67 of the 2013 Exelon Corporation 10-K which can be obtained at:
<http://www.exeloncorp.com/performance/investors/overview.aspx>
- The date of commercial operation for each nuclear generation station can be found on page 12 of the 2013 10-K.
- Date of commercial operation for each renewable generation asset, including solar and wind, can be found on our web site in the detail for each site at:
<http://www.exeloncorp.com/energy/generation/generation.aspx>
- A summary of Exelon's generation for sale is available on page 9 of the 2013 10-K. Further details about long-term power purchases are available in the 2013 10-K pages 16 and 17. Source and sales details are considered proprietary.

SPONSOR: Exelon Corporation

JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO JEREMY FIRESTONE'S INITIAL PHASE INTERROGATORIES
REQUEST NO. 2

QUESTION NO. 2

- Q. FOR EACH EACH ENERGY STORAGE PROJECT OWNED OR OPERATED BY EXELON, IDENTIFY
- (A) THE LOCATION OF THE PROJECT
 - (B) THE NUMBER OF MW OF THE PROJECT
 - (C) THE DATE OF COMMERCIAL OPERATION OF THE PROJECT
 - (D) WHETHER THE PROJECT IS OWNED OR OPERATED
 - (E) IF OWNED, THE FRACTION OWNED BY EXELON

RESPONSE:

A.

Muddy Run pumped-hydro storage facility is currently the only energy storage project owned or operated by Exelon. Its date of commercial operation is 1968. Owned assets, including Muddy Run, and their capacity (MW), location, percent ownership, primary energy source are listed on page 65 to 67 of the 2013 Exelon Corporation 10-K which can be obtained at <http://www.exeloncorp.com/performance/investors/overview.aspx>.

Additional site specific details on the Muddy Run facility can be found on our website at <http://www.exeloncorp.com/PowerPlants/muddyrun/Pages/profile.aspx>

SPONSOR: Exelon Corporation

JOINT APPLICANTS
DELAWARE PSC 14-193
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REQUEST NO. 3

QUESTION NO. 3

- Q. DURING THE PERIOD JUNE 1, 2013 UNTIL MAY 31, 2014, FOR EACH STATE IN WHICH ONE OF EXELON'S EXISTING ELECTRIC DISTRIBUTION COMPANIES OPERATES, IDENTIFY:
- (A) THE TOTAL MEGAWATT-HOURS (MWH) OF WIND POWER SUPPLIED
 - (B) THE TOTAL MWH OF SOLAR POWER SUPPLIED
 - (C) THE TOTAL MWH OF ANY RENEWABLE ENERGY SOURCE OTHER THAN WIND OR SOLAR POWER SUPPLIED
 - (D) THE TOTAL NUMBER OF RECS HELD
 - (E) THE TOTAL NUMBER OF SRECS HELD

RESPONSE:

A. A, B, and C:

BGE, ComEd, and PECO do not own generation. All supply is sourced from the PJM System Mix. State renewable energy supply compliance is achieved by purchasing Renewable Energy Credits (RECs), which are decoupled from real-time generation. See number of RECs held in responses D and E.

D and E:

For BGE:

REC Retirements for the Period June 1 2013 to May 31, 2014	
Class I	24,119
Class II	7,589
Solar	764
Total RECs	32,472

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REC Inventory after Retirements, as of May 31, 2014	
Class I	366
Class II	425
Solar	271
Total RECs	1,062

For ComEd:

REC Retirements for the Period June 1 2013 to May 31, 2014	
Other Renewable RECs	255,950
Solar RECs	31,116
Wind RECs	1,928,130
Total RECs	2,215,196

Zero RECs are held in inventory as of May 31, 2014.

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For PECO:

REC Retirements for the Period June 1 2013 to May 31, 2014	
Other Renewable RECs	909,196
Solar RECs	9,915
Wind RECs	344,188
Total RECs	1,263,299

REC Inventory after Retirements, as of May 31, 2014	
Other Renewable RECs	190,064
Solar RECs	10,343
Wind RECs	357,668
Total RECs	558,075

SPONSOR: Exelon Corporation

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REQUEST NO. 4

QUESTION NO. 4

- Q. WITH REGARD TO ANY GREEN PRICING PROGRAMS, FOR EACH OF EXELON'S EXISTING ELECTRIC DISTRIBUTION COMPANIES:
- (A) IDENTIFY EACH OFFER THAT IS PRESENTLY AVAILABLE AND FOR EACH SUCH OFFER
 - (I) INDICATE THE EXTENT OF THE PRICE PREMIUM, IF ANY.
 - (II) INDICATE WHETHER THE PRICE PREMIUM INCLUDES ANY COSTS ASSOCIATED WITH THE PURCHASE OF RECS OR SRECS, AND IF SO, THE FRACTION OF THE PRICE PREMIUM THAT IS BASED ON SUCH PURCHASES.

RESPONSE:

A.

BGE Response

- A. BGE has no specific green pricing programs and is prohibited from offering such programs.

ComEd Response

- A. Commonwealth Edison Company does not offer any green pricing electricity supply programs.

PECO Response

- A. PECO currently does not offer green pricing programs.

SPONSOR: Exelon Corporation

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REQUEST NO. 5

QUESTION NO. 5

Q. DOES EXELON CONTINUE TO FULLY ENDORSE THE STATEMENTS OF ITS FORMER CHAIRMAN AND CEO JOHN W. ROWE'S REGARDING CLIMATE CHANGE AND THE PRESS RELEASE OF SEPTEMBER 28, 2009? IF NOT, PLEASE IDENTIFY THE WAYS IN WHICH IT DEPARTS FROM THAT POSITION

RESPONSE:

A. In the September 28, 2009 Press Release (http://www.exeloncorp.com/newsroom/pages/pr_20090928.aspx) John Rowe stressed the importance of a value on carbon and how it should be incorporated into competitive power of markets. Mr. Rowe also announced during the speech that Exelon would not be renewing its membership in the U.S. Chamber of Commerce due to the organization's opposition to climate legislation, as well as made public Exelon's greenhouse gas abatement goal, Exelon 2020, which highlighted how greenhouse gas emissions could be reduced in a cost effective manner.

Exelon continues to advocate for competitive markets and equitable economic realization of the value of all low carbon energy sources. Further, it is Exelon's position that competitive market mechanisms will drive the lowest cost solutions for reducing greenhouse gas carbon emissions. In more recent years, Exelon has reestablished its membership in the US Chamber of Commerce, and is actively involved in working with a variety of stakeholders, including government agencies and states to review and fully explore the implications of the U.S. EPA's Clean Power Plan.

Exelon supports compliance solutions that treat all carbon-free resources equally, regardless of age or technology, and provide flexibility to states to adopt strategies that allow market-based, cost-effective, solutions for consumers. Meaningful and verifiable reduction standards will further enable corporations to factor carbon emissions into their strategic business planning and direct investments to technologies that most effectively reduce greenhouse gas emissions. Exelon will continue work to articulate its position clearly and engage key stakeholders to establish effective market solutions. Additional information on our current policy positions please visit the Policy page on our corporate website at: <http://www.exeloncorp.com/performance/policypositions/overview.aspx>

In following through on the strategy established by John Rowe, Exelon achieved the Exelon 2020 program goal with a total of 18.1 million metric tons of GHG abated in 2013 through a combination of absolute emission reductions, customer programs associated with energy efficiency and renewable portfolio standards, and increased output/efficiency improvements at our nuclear generation stations. Refer to the 2013 Corporate Sustainability Report (<http://www.exeloncorp.com/assets/newsroom/docs/csr/index.html>) pages 14 through 31 for additional details on our current response to climate change issues.

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REQUEST NO. 6

QUESTION NO. 6

Q. WHAT STEPS, IF ANY, ARE EXELON UNDERTAKING TO DE-CARBONIZE ITS GENERATION ASSETS?

RESPONSE:

A. As summarized in our 2013 CSR, Exelon has been taking steps to abate greenhouse gas emissions from its operation and to help its customers reduce their emissions, including measures to “de-carbonize” Exelon’s electric generation assets, such as:

- Produced a record 158.6 million megawatt-hours (MWh) of low-carbon nuclear power
- Produced more than 5.8 million MWh from renewable sources including owned wind, hydro and solar capacity
- Surpassed the Exelon 2020 goal, seven years ahead of schedule, with the abatement of more than 18 million metric tons of carbon dioxide equivalents (CO₂e)
- Further refined the Exelon corporate response to climate change to focus on: 1) reducing operational impacts; 2) contributing to the lowering of electric sector GHG emissions; and, 3) addressing the issue of infrastructure resiliency.

Exelon is advancing the production and delivery of clean, reliable and competitively priced forms of energy across the energy value chain. Exelon is working with communities and regulators to promote market rules and structures that ensure fair treatment of clean, competitive, reliable generation. The company is optimizing its existing generation fleet and exploring a variety of new technologies to most efficiently and effectively meet the future market demand for electricity. Through continued investments in a clean energy portfolio, transmission and distribution systems, and customer programs, Exelon is building a sustainable energy future and responding to climate change issues in a way that fosters business value and supports continued environmental progress. For more information refer to the 2013 Corporate Sustainability Report (<http://www.exeloncorp.com/assets/newsroom/docs/csr/index.html>) pages 14 through 31 for additional details on Exelon’s current response to climate change issues.

Additional information on Exelon greenhouse gas abatement initiatives can be found in section cc3.3b starting on page 20 of Exelon’s 2014 CDP Climate Change Investors Survey Response located at http://www.exeloncorp.com/assets/environment/docs/Exelon_Investor_CDP.pdf

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REQUEST NO. 7

QUESTION NO. 7

Q. WHAT STEPS, IF ANY, ARE EXELON UNDERTAKING TO DE-CARBONIZE ITS SUPPLY PURCHASES?

RESPONSE:

A.

Exelon Utilities and its retail organization Constellation purchase electricity in compliance with prevailing state Renewable Portfolio Standards (RPS) and to support customer demand for the purchase of power specified to be supplied from renewable sources. Details on the avoided GHG emissions associated with these purchases are available as part of Exelon's 2013 CSR <http://www.exeloncorp.com/assets/newsroom/docs/CSR/index.html> on page 26 as well as in Exelon's 2014 CDP Climate Change Investors Survey Response in Section 3.3b starting on page 20.

http://www.exeloncorp.com/assets/environment/docs/Exelon_Investor_CDP.pdf

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REQUEST NO. 8

QUESTION NO. 8

- Q. FOR EACH OF THE FOLLOWING, IDENTIFY WHAT, IF ANY STEPS, MEASURES OR ACTIONS THAT EXELON HAS UNDERTAKEN OR IS INTENDING TO UNDERTAKE, AS APPROPRIATE:
- (A) DEPLOYMENT OF MICROGRIDS THROUGH ITS EXISTING ELECTRICITY DISTRIBUTION UTILITIES
 - (B) EXPANSION OF MICROGRIDS IN PHI'S ELECTRICITY DISTRIBUTION TERRITORY
 - (C) DEPLOYMENT OF SMART GRIDS THROUGH ITS EXISTING ELECTRICITY DISTRIBUTION UTILITIES
 - (D) EXPANSION OF SMART GRIDS IN PHI'S ELECTRICITY DISTRIBUTION TERRITORY
 - (E) DEPLOYMENT OF ELECTRIC VEHICLE CHARGING STATIONS THROUGH ITS EXISTING ELECTRICITY DISTRIBUTION UTILITIES
 - (F) EXPANSION OF ELECTRIC VEHICLE CHARGING STATIONS IN PHI'S ELECTRICITY DISTRIBUTION TERRITORY
 - (G) DEPLOYMENT OF ENERGY STORAGE THROUGH ITS EXISTING ELECTRICITY DISTRIBUTION UTILITIES
 - (H) EXPANSION OF ENERGY STORAGE IN PHI'S ELECTRICITY DISTRIBUTION TERRITORY
 - (I) PREVENTION OF NATURAL GAS PIPELINE LEAKS THROUGH ITS EXISTING ENERGY DISTRIBUTION UTILITIES
 - (J) PREVENTION OF NATURAL GAS PIPELINE LEAKS IN PHI'S ELECTRICITY DISTRIBUTION TERRITORY DELAWARE
 - (K) RESPONSE TO AND MINIMIZATION OF NATURAL GAS LEAKS IN ITS EXISTING ENERGY DISTRIBUTION UTILITIES

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REQUEST NO. 8

- (L) RESPONSE TO AND MINIMIZATION OF NATURAL GAS
LEAKS IN PHI'S ELECTRICITY DISTRIBUTION TERRITORY

- (M) LIMITATION OF WATER USE AND ENTRAINMENT AND
IMPINGEMENT OF FISH AT ITS NUCLEAR POWER PLANTS

RESPONSE:

A.

1-8a – Exelon utilities evaluate technologies and applications in accordance with the legal and regulatory requirements of each state. Each utility posts information on such programs and submits updates to the commission which are available through the commission and/or company websites, where applicable.

1-8b – Exelon does not engage in this activity in PHI's territory at this time.

1-8c – Exelon utilities evaluates technologies and applications in accordance with the legal and regulatory requirements of each state. Each utility posts information on such programs and submits updates to the commission which are available through the commission and/or company websites, where applicable.

1-8d – Exelon does not engage in this activity in PHI's territory at this time.

1-8e – Exelon utilities evaluates technologies and applications in accordance with the legal and regulatory requirements of each state. Each utility posts information on such programs and submits updates to the commission which are available through the commission and/or company websites, where applicable.

1-8f – Exelon does not engage in this activity in PHI's territory at this time.

1-8g – Exelon utilities evaluates technologies and applications in accordance with the legal and regulatory requirements of each state. Each utility posts information on such programs and submits to the commission which are available through the commission and/or company websites, where applicable.

1-8h – Exelon does not engage in this activity in PHI's territory at this time.

1-8i – Exelon utilities evaluates technologies and applications in accordance with the legal and regulatory requirements of each state. Each utility posts information on such programs and submits updates to the commission which are available through the commission and/or company websites, where applicable.

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1-8j – Exelon does not engage in this activity in PHI’s territory at this time.

1-8k – Exelon utilities evaluates technologies and applications in accordance with the legal and regulatory requirements of each state. Each utility posts information on such programs and submits updates to the commission which are available through the commission and/or company websites, where applicable.

1-8l – Exelon does not engage in this activity in PHI’s territory at this time.

1-8m – Exelon evaluated the impacts of water use and entrainment and impingement of fish at nuclear plants as part of the EPA’s 316(b) rulemaking. Those comments are available at EPA’s website. See Exelon’s Comments on the 2011 Proposal:

<http://www.regulations.gov/contentStreamer?objectId=0900006480ee4c21&disposition=attachment&contentType=pdf>

As well as Exelon’s Comments on the 2012 Notices of Data Availability (NODAs):

<http://www.regulations.gov/contentStreamer?objectId=090000648108b313&disposition=attachment&contentType=pdf> (economic survey) and

<http://www.regulations.gov/contentStreamer?objectId=0900006481087eb3&disposition=attachment&contentType=pdf> (impingement technology)

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REQUEST NO. 9

QUESTION NO. 9

- Q. IDENTIFY EACH INSTANCE IN WHICH EXELON TOOK INTO ACCOUNT EXTERNAL COSTS IN ACQUISITION OF SUPPLY BY ITS EXISTING ENERGY DISTRIBUTION UTILITIES AND EXPLAIN HOW IT DID SO FOR EACH SUCH INSTANCE.

RESPONSE:

- A. Exelon utilities procure energy for purposes of serving default service customers in accordance with the legal and regulatory requirements of each state. Procurement requirements can be accessed through each state's commission and Exelon utilities website.

SPONSOR Exelon Corporation

JOINT APPLICANTS
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REQUEST NO. 10

QUESTION NO. 10

- Q. IDENTIFY WHETHER EXELON INTENDS TO ISSUE A REQUEST FOR PROPOSALS FOR THE CONSTRUCTION OF NEW GENERATION RESOURCES AND LONG-TERM SUPPLY TO SERVE DELMARVA POWER & LIGHT SUPPLY CUSTOMERS

RESPONSE:

- A. Exelon will take legal and prudent actions that are consistent with state procurement requirements and orders by the Delaware Public Service Commission which may include a variety of methods of procuring energy to meet DP&L's standard offer service requirements.

SPONSOR: Exelon Corporation

JOINT APPLICANTS
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REQUEST NO. 11

QUESTION NO. 11

- Q. IDENTIFY WHETHER EXELON INTENDS TO CONSTRUCT ANY NEW GENERATION IN THE STATE OF DELAWARE

RESPONSE:

- A. Exelon has not made any decision to construct generation in the State of Delaware at this time.

SPONSOR: Exelon Corporation

JOINT APPLICANTS
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RESPONSE TO JEREMY FIRESTONE'S INITIAL PHASE INTERROGATORIES
REQUEST NO. 12

QUESTION NO. 12

- Q. IDENTIFY WHETHER EXELON INTENDS TO MEET ANY OF DELMARVA POWER & LIGHT'S SUPPLY OBLIGATIONS OVER THE NEXT TEN YEARS WITH SELF-GENERATION – THAT IS, GENERATION OWNED BY DELMARVA POWER & LIGHT.

RESPONSE:

- A. Exelon will take legal and prudent actions that are consistent with state procurement requirements and orders by the Delaware Public Service Commission which may include a variety of methods of procuring energy to meet DP&L's standard offer service requirements.

SPONSOR: Exelon Corporation

JOINT APPLICANTS
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REQUEST NO. 13

QUESTION NO. 13

- Q. IDENTIFY ANY EFFICIENCY IMPROVEMENTS EXELON WILL UNDERTAKE AT PEPCO BUILDINGS IN DELAWARE

RESPONSE:

- A. Exelon has not yet identified at this time any efficiency improvements it will undertake at Pepco buildings in Delaware. Of note, however, is Exelon's track record in undertaking energy efficiency improvements in its existing footprints. For instance, Exelon announced on April 23, 2014 that it reduced or avoided more than 18 million metric tons of greenhouse gas (GHG) emissions in 2013, surpassing its goal of eliminating 17.5 million metric tons of greenhouse gas (GHG) emissions per year by 2020. Exelon completed the goal established by its "Exelon 2020" program seven years earlier than planned through an enterprise-wide approach that included reducing emissions in its operations, helping its customers and communities reduce their emissions, and adding more clean energy on the grid to displace energy from higher carbon sources.

SPONSOR: Exelon Corporation

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REQUEST NO. 14

QUESTION NO. 14

- Q. SEPARATELY FOR EXELON AND FOR PEPCO, IDENTIFY THE PURPOSE(S), INCLUDING ANY FACTORS CONSIDERED, OF ENTERING INTO MERGER AND/OR ACQUISITION

RESPONSE:

- A. The Joint Applicants object to this request on grounds that it is overly broad, unduly burdensome and outside the scope of this intervener's limited intervention. Without waving any objection, the Joint Petitioners respond: See Merger Application, prefiled testimonies, Proxy Statement and other publicly available statements concerning reasons for merger.

SPONSOR: PHI

JOINT APPLICANTS
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REQUEST NO. 15

QUESTION NO. 15

- Q. IDENTIFY THE WAYS, IF ANY, THAT THE ACQUISITION AND CHANGE IN CONTROL, IF APPROVED, WOULD BE ADVERSE TO THE PUBLIC INTEREST, INCLUDING, BUT NOT LIMITED TO, ANY RATE ADJUSTMENTS, AND HEALTH OR ENVIRONMENTAL EFFECTS

RESPONSE:

- A. The acquisition and change in control will not be approved unless the Delaware Public Service Commission, applying standards and criteria established by Delaware law and based upon substantial evidence, finds and determines that the acquisition and change in control are consistent with the public interest. Consequently, if the acquisition and change in control are approved, they will not be inconsistent with the public interest. Conversely, if the Delaware Public Service Commission, applying standards and criteria established by Delaware law and based upon substantial evidence, were to find and determine that the acquisition and change in control are not consistent with the public interest, it would not grant its approval -- an outcome that the Joint Applicants believe is not warranted based on the Joint Application and accompanying testimony filed in this case.

SPONSOR: Exelon Corporation

JOINT APPLICANTS
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REQUEST NO. 16

QUESTION NO. 16

- Q. WITH REGARD TO THE BENEFITS OF THE MERGER AND ACQUISITION
- (A) IDENTIFY BY CEC/BGE CUSTOMER, THE TOTAL BENEFIT OF THE FOLLOWING FOUR ITEMS: THE RESIDENTIAL RATE CREDIT, THE CUSTOMER INVESTMENT FUND, THE BGE CAIDI STUDY AND THE CONTRIBUTION TO RG STEEL SPARROWS POINT.
 - (B) IDENTIFY BY CEC/BGE CUSTOMER, THE BENEFIT OF THE \$30 MILLION FOR OFFSHORE WIND DEVELOPMENT.
 - (C) PROVIDE THE BASIS FOR PROVIDING FUNDING FOR RENEWABLE ENERGY DEVELOPMENT WITH REGARD TO CEG/BGE, BUT NOT WITH REGARD TO PEPSCO AND DELMARVA POWER & LIGHT.
 - (D) PROVIDE THE BASIS FOR DELMARVA POWER & LIGHT CUSTOMERS WITH A BENEFIT PER CUSTOMER THAT IS LESS THAN THAT WHICH EXELON PROVIDED TO CEG/BGE CUSTOMERS.
 - (E) PROVIDE THE BASIS FOR PROVIDING CEG/BGE'S CUSTOMERS WITH A RESIDENTIAL RATE CREDIT AND CREATING A CEG/BGE CUSTOMER INVESTMENT FUND BUT ONLY CREATING A DELMARVA POWER & LIGHT CUSTOMER BENEFIT FUND.
 - (F) PROVIDE THE BASIS FOR PROVIDING DELMARVA POWER & LIGHT CUSTOMERS WITH A BENEFIT PER CUSTOMER THAT IS LESS THAN THAT THAT PROVIDED TO PECO CUSTOMERS

RESPONSE:

- A. The Joint Applicants object to this request on grounds that it is overly broad, unduly burdensome and outside the scope of this intervener's limited intervention. Without waving any objection, the Joint Applicants respond:

With respect to benefits offered to Delmarva Power customers: See Merger Application, prefiled testimonies, Proxy Statement and other publicly available statements concerning benefits arising from the merger.

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REQUEST NO. 16

With respect to what this intervener refers to as "benefits" provided to "CEG/BGE" customers, which the Joint Applicants interpret to mean benefits provided in Maryland as a result of the merger between Exelon Corporation, Constellation Energy Group, Inc., and Baltimore Gas and Electric Company in 2012: see the Maryland Public Service Commission website <http://webapp.psc.state.md.us/Intranet/home.cfm> in the Case Jacket for Case No. 9271, *In the Matter of the Merger of Exelon Corporation and Constellation Energy Group, Inc.*

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REQUEST NO. 17

QUESTION NO. 17

- Q. IDENTIFY THE FOLLOWING RELATED TO PEPCO'S SHAREHOLDERS AS OF AS CLOSE TO APRIL 28, 2014, AS POSSIBLE:
- (A) THE NUMBER OF OUTSTANDING SHARES OF POM
 - (B) THE NUMBER OF RESTRICTED SHARES OF POM
 - (C) THE NUMBER OF POM SHAREHOLDERS
 - (D) THE NUMBER OF POM SHAREHOLDERS WITH RESTRICTED SHARES
 - (E) THE MEDIAN NUMBER OF SHARES OF POM HELD
 - (F) THE NUMBER OF SHARES HELD BY EVERY PEPCO AND DELMARVA POWER & LIGHT OFFICER AND DIRECTOR

RESPONSE:

- A. The Joint Applicants object to this request on grounds that it is overly broad, unduly burdensome and outside the scope of this intervener's limited intervention. Without waving any objection, the Joint Petitioners respond: See Proxy Statement filed August 12, 2014.

SPONSOR: PHI

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REQUEST NO. 18

QUESTION NO. 18

- Q. DOES PEPCO CONTEND THAT DELMARVA POWER & LIGHT WILL BE ABLE TO MEET THE RELIABILITY COMMITMENTS THAT ARE PROPOSED IN THIS DOCKET IF THE MERGER DOES NOT OCCUR?
- (A) IF THE ANSWER IS ANYTHING OTHER THAN AN UNQUALIFIED "YES," EXPLAIN THE BASIS FOR THE RESPONSE
- (B) IF THE ANSWER IS ANYTHING OTHER THAN AN UNQUALIFIED "YES," WHAT SYSTEMS AVERAGE INTERRUPTION DISRUPTION INDEX (SAIDI) WITHIN THE DELAWARE OPERATIONAL AREA COULD BE MET BY 2020 USING THE METRICS PROPOSED BY EXELON?

RESPONSE:

- A. Question withdrawn pursuant to agreement between the Joint Applicants and Intervener Jeremy Firestone.

SPONSOR: PHI / Exelon Corporation

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REQUEST NO. 19

QUESTION NO. 19

- Q. WHAT IS THE DIRECT VALUE TO DELMARVA CUSTOMERS OF:
- (A) THE RELIABILITY IMPROVEMENT PROJECTS ALREADY ANNOUNCED BY PEPCO AND/OR UNDERWAY
 - (B) THE RELIABILITY COMMITMENTS PROPOSED BY EXELON

RESPONSE:

- A. Question withdrawn pursuant to agreement between the Joint Applicants and Intervener Jeremy Firestone.

SPONSOR: PHI / Exelon Corporation

JOINT APPLICANTS
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REQUEST NO. 20

QUESTION NO. 20

- Q. DO YOU CONTEND THAT EXELON AND PHI DID NOT NEED TO SUBMIT THE CHANGE IN CONTROL OF PHI TO THE JURISDICTION OF THE COMMISSION?
- (A) IF THE ANSWER IS ANYTHING OTHER THAN AN UNQUALIFIED "NO," EXPLAIN THE BASIS FOR THE RESPONSE.
- (B) IF THE ANSWER IS ANYTHING OTHER THAN AN UNQUALIFIED "NO," QUANTIFY THE BENEFIT TO DELMARVA POWER & LIGHT CUSTOMERS.

RESPONSE:

- A. Question withdrawn pursuant to agreement between the Joint Applicants and Intervener Jeremy Firestone.

SPONSOR: PHI / Exelon Corporation

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REQUEST NO. 21

QUESTION NO. 21

- Q. EXPLAIN HOW "MAINTAINING" A LOCAL PRESENCE BENEFITS DELMARVA CUSTOMERS OVER WHAT WOULD RESULT IN THE ABSENCE OF EXELON'S ACQUISITION OF PHI.

RESPONSE:

- A. Question withdrawn pursuant to agreement between the Joint Applicants and Intervener Jeremy Firestone.

SPONSOR: PHI / Exelon Corporation

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REQUEST NO. 22

QUESTION NO. 22.

- Q. EXPLAIN HOW “HONORING” EXISTING COLLECTIVE BARGAINING CONTRACTS AND OTHER LABOR-RELATED ACTIONS FOR AT LEAST THE FIRST TWO YEARS IS A BENEFIT RATHER THAN A DETRIMENT OVER WHAT WOULD RESULT IN THE ABSENCE OF EXELON’S ACQUISITION OF PHI.

RESPONSE:

- A. Question withdrawn pursuant to agreement between the Joint Applicants and Intervener Jeremy Firestone.

SPONSOR: PHI / Exelon Corporation

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REQUEST NO. 23

QUESTION NO. 23.

- Q. EXPLAIN HOW “RETAINING” LOW-INCOME ASSISTANCE PROGRAMS BENEFITS DELMARVA CUSTOMERS OVER WHAT WOULD RESULT IN THE ABSENCE OF EXELON’S ACQUISITION OF PHI.

RESPONSE:

- A. Question withdrawn pursuant to agreement between the Joint Applicants and Intervener Jeremy Firestone.

SPONSOR: PHI / Exelon Corporation

JOINT APPLICANTS
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REQUEST NO. 24

QUESTION NO. 24.

- Q. EXPLAIN HOW NOT SEEKING RECOVERY OF MERGER-RELATED COSTS BENEFITS DELMARVA CUSTOMERS OVER WHAT WOULD RESULT IN THE ABSENCE OF EXELON'S ACQUISITION OF PHI.

RESPONSE:

- A. Question withdrawn pursuant to agreement between the Joint Applicants and Intervener Jeremy Firestone.

SPONSOR: PHI / Exelon Corporation

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REQUEST NO. 25

QUESTION NO. 25.

- Q. IDENTIFY THE COMPANY AND PERSON(S) WHO INITIATED THE MERGER DISCUSSIONS.

RESPONSE:

- A. Question withdrawn pursuant to agreement between the Joint Applicants and Intervener Jeremy Firestone.

SPONSOR: PHI / Exelon Corporation

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REQUEST NO. 26

QUESTION NO. 26.

- Q. IDENTIFY EACH COMPANY AND PERSON WITH WHOM PEPCO DISCUSSED THE POSSIBILITY OF MERGING OR BEING ACQUIRED AS AN ALTERNATIVE TO EXELON SINCE 2010
- (A) FOR EACH SUCH COMPANY OR PERSON, IDENTIFY THE BENEFITS OR ADVANTAGES IDENTIFIED BY THAT COMPANY OR PERSON THAT WOULD HAVE ACCRUED TO THE PUBLIC AND DELMARVA POWER & LIGHT RATEPAYERS FOR SUCH A MERGER OR ACQUISITION

RESPONSE:

- A. Question withdrawn pursuant to agreement between the Joint Applicants and Intervener Jeremy Firestone.

SPONSOR: PHI / Exelon Corporation

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RESPONSE TO JEREMY FIRESTONE'S INITIAL PHASE INTERROGATORIES
REQUEST NO. 27

QUESTION NO. 27.

- Q. IDENTIFY EACH PERSON YOU INTEND TO CALL AS A WITNESS (EXPERT OR OTHERWISE) IN THIS PROCEEDING.

RESPONSE:

- A. The Joint Applicants object to this request to the extent it violates the attorney/client privilege and work product doctrines. Without waiving any objection, the Joint Applicants respond that at this point in the docket, the Joint Applicants intend to call the witnesses who have provided pre-filed testimony and any additional witnesses who may file additional pre-filed testimony as this docket progresses. The Joint Applicants reserve their rights to identify additional witnesses throughout this proceeding, at any time as may be necessary and/or permitted, for purposes of, including but not limited to, responding to issues that may be raised in this docket by any participant.

SPONSOR: PHI / Exelon Corporation

JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO JEREMY FIRESTONE'S INITIAL PHASE INTERROGATORIES
REQUEST NO. 28

QUESTION NO. 28.

- Q. IDENTIFY EACH PERSON WHO PARTICIPATED IN, SUPPLIED INFORMATION TO, OR ASSISTED, **IN A MATERIAL MANNER,**¹ THE PERSON VERIFYING THE ANSWERS TO THESE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS, INCLUDING THOSE PERSON(S) WHO HAVE PROVIDED INFORMATION FOR SUCH ANSWERS, STATING WITH SPECIFICITY THE ANSWER(S) INVOLVED.

RESPONSE:

- A. The Joint Applicants object to this request to the extent that it is vague and ambiguous in the use of the phrase, "in a material manner," and to the extent that it is overly broad, unduly burdensome and seeks information that is irrelevant. Without waiving any objection, and to the extent the Joint Applicants understand the request, the Joint Applicants respond that the person responsible for responding to these data requests is the person identified as the sponsor of the response. To the extent a sponsor is not listed at this time, a sponsor will be listed prior to going to hearing on this matter.

SPONSOR: PHI / Exelon Corporation

¹ Underlined/bolded/strikethrough language reflects changes to the request agreed upon between the Joint Applicants and Intervener Jeremy Firestone.

EXHIBIT B

JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO JEREMY FIRESTONE'S INITIAL PHASE REQUESTS
FOR PRODUCTION OF DOCUMENTS

QUESTION NO. 1

Q. PRODUCE ALL DOCUMENTS RELATED TO A RESPONSE TO THE INTERROGATORY REQUESTS

RESPONSE:

A. The Joint Applicants object to this request on grounds that it is overly broad, unduly burdensome, outside the scope of this intervener's limited intervention, to the extent it violates that attorney client privilege and work product doctrines, vague and ambiguous in the use of the phrase "related to a response to..." and in that it fails to reasonably specify the identity and/or category of documents sought. Without waiving any objection, the Joint Applicants respond: See materials produced in response to these data requests and the materials made available in the electronic data room.

SPONSOR: PHI / Exelon Corporation

JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO JEREMY FIRESTONE'S INITIAL PHASE REQUESTS
FOR PRODUCTION OF DOCUMENTS

QUESTION NO. 2

- Q. PRODUCE A COPY OF THE CV OR RESUME OF EACH PERSON WHO IS (A) IDENTIFIED AS A RESPONDENT TO A DATA REQUEST BUT IS NOT A WITNESS SPONSORING PREFILED TESTIMONY AND (B) A WITNESS WHO IS SPONSORING PREFILED TESTIMONY BUT DID NOT INCLUDE A CV WITH THE PREFILED TESTIMONY. ~~IN RESPONSE TO INTERROGATORY 27 AND TO INTERROGATORY 28.~~¹

RESPONSE:

A. The Joint Applicants object to this request to the extent that it is vague and ambiguous in the use of the phrase, "in a material manner," and to the extent that it is overly broad, unduly burdensome and seeks information that is irrelevant. Without waiving any objection, and to the extent the Joint Applicants understand the request, the Joint Applicants respond that the person responsible for responding to these data requests is the person identified as the sponsor of the response. To the extent a sponsor is not listed at this time, a sponsor will be listed prior to going to hearing on this matter. The qualifications and personal history of all pre-filed witnesses is contained in their filed testimony.

SPONSOR: PHI / Exelon Corporation

¹ Underlined/bolded/strikethrough language reflects changes to the request agreed upon between the Joint Applicants and Intervener Jeremy Firestone.

JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO JEREMY FIRESTONE'S INITIAL PHASE REQUESTS
FOR PRODUCTION OF DOCUMENTS

QUESTION NO. 3

- Q. PRODUCE A COPY OF JOHN ROWE'S PREPARED REMARKS THAT ACCOMPANIED THE SEPTEMBER 28, 2009 EXELON PRESS RELEASE

RESPONSE:

- A. See DE 14-193 Firestone Set 1 Q3 Attachment 1 – 2.

SPONSOR: Exelon Corporation

JOINT APPLICANTS
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RESPONSE TO JEREMY FIRESTONE'S INITIAL PHASE REQUESTS
FOR PRODUCTION OF DOCUMENTS

QUESTION NO. 4

- Q. PRODUCE EACH AND EVERY EXELON COMMUNICATION OR DOCUMENT RELATING TO:
- (A) THE MARYLAND WIND ENERGY AREA DESIGNATED BY BOEM LOCATED OFF THE COAST OF OCEAN CITY, MARYLAND AND FENWICK, DELAWARE
 - (B) THE MARYLAND OFFSHORE WIND ENERGY ACT OF 2013
 - (C) THE BLUEWATER WIND PROJECT AND THE DELAWARE WIND ENERGY AREA
 - (D) LEASING OF WIND ENERGY AREAS DESIGNATED BOEM
 - (E) THE COST OF OFFSHORE WIND POWER
 - (F) THE RELIABILITY OF OFFSHORE WIND POWER
 - (G) THE INTERMITTENCY OF OFFSHORE WIND POWER
 - (H) THE PURCHASE OF POWER FROM OFFSHORE WIND POWER PROJECTS
 - (I) GRID INTEGRATION COSTS OF WIND AND/OR SOLAR POWER
 - (J) THE PRICE SUPPRESSION OR AVOIDED COST EFFECTS OF WIND AND/OR SOLAR POWER
 - (K) ELECTRIC VEHICLES, INCLUDING GRID-INTEGRATED ELECTRIC VEHICLES
 - (L) PROPOSED OR NEW NUCLEAR POWER GENERATION
 - (M) A DIVERSE SUPPLY PORTFOLIO
 - (N) STATE RENEWABLE PORTFOLIO STANDARDS (RPS) AND/OR RENEWABLE ENERGY CREDITS (RECS), INCLUDING SOLAR RECS (SRECS)
 - (O) FEDERAL RENEWABLE PORTFOLIO STANDARDS BILLS
 - (P) THE US PRODUCTION TAX CREDIT FOR NUCLEAR POWER
 - (Q) THE US PRODUCTION TAX CREDIT FOR WIND POWER

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FOR PRODUCTION OF DOCUMENTS

- (R) THE US INVESTMENT TAX CREDIT FOR WIND POWER
- (S) THE PRICE ANDERSON ACT OF 1957, AS AMENDED
- (T) THE FEDERAL LOAN GUARANTEE PROGRAM IN THE CONTEXT OF ELECTRICITY GENERATION
- (U) THE ALLOCATION OF COSTS RELATED TO TRANSMISSION
- (V) THE REGIONAL GREENHOUSE GAS INITIATIVE (RGGI) (W) CARBON TAXES
- (X) MARKET-BASED PROGRAMS FOR SO₂ (Y) MARKET-BASED PROGRAMS FOR CARBON
- (Z) THE AMERICAN CLEAN ENERGY AND SECURITY ACT, ALSO KNOWN AS THE WAXMAN-MARKEY BILL, H.R. 2454, WHICH WAS APPROVED THE U.S. HOUSE OF REPRESENTATIVES IN 2009
- (AA) EPA'S 2014 PROPOSED CLEAN POWER PLAN
- (BB) THE SOCIAL COST OF CARBON, INCLUDING THE INTERAGENCY WORKING GROUP'S EFFORTS RELATED THERETO
- (CC) CLIMATE CHANGE/GLOBAL WARMING
 - (I) WHETHER IT IS OCCURRING
 - (II) WHETHER IT IS HUMAN CAUSED
 - (III) RISKS POSED TO ELECTRICAL GENERATION SUPPLY
- (DD) OCEAN ACIDIFICATION

RESPONSE:

A. Joint Applicants object to this data request on grounds that it is overly broad, unduly burdensome, irrelevant and to the extent it seeks information that is of a proprietary, competitive, non-regulated business nature. Without waiving any objection, Exelon responds that the following comprehensive report fully covers our position and our actions on this issue.

Exelon has been recognized by the CDP as a global leadership in disclosure on climate change issues. Additional details on our internal governance, management, initiatives and risk and opportunities assessment are available in our 2014 CDP Survey Response located at http://www.exeloncorp.com/assets/environment/docs/Exelon_Investor_CDP.pdf. Specifically

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issues identified in information requests 1-4v through 1-4cc can be found at the following locations in the survey:

RFP 1-4v RGGI – cc13.1a page 69

RFP 1-4w Carbon Taxes – cc5.1a page 30 and cc6.1a page 43

RFP 1-4y Market-based programs for carbon - cc5.1a page 30 and cc6.1a page 43

RFP 1-4cc Climate Change / Global Warming – whole document

RFP 1-4cc-i Whether its occurring – company website

<http://www.exeloncorp.com/environment/overview.aspx> Side bar “Why Us? Why Now?”

RFP 1-4cc-ii Whether it is human caused – company website

<http://www.exeloncorp.com/environment/overview.aspx> Side bar “Why Us? Why Now?”

RFP 1-4cc-iii Risks posed to electrical generation supply – cc5.1a

RFP 1-4dd – Exelon supports the advancement of clean energy, see Exelon’s 2013 Corporate Sustainability Report:

http://www.exeloncorp.com/assets/newsroom/downloads/docs/dwnld_Exelon_CSR.pdf

Exelon’s comments are produced in response to requests from regulators and legislatures. Exelon’s public responses are available on the appropriate matter on various regulatory agency and/or Exelon’s website. Public comments and responses to media inquiries are available at various media websites.

Additional historical information and our ongoing perspective and advocacy relating to climate change can also be found in our past CSRs and Exelon 2020 updates located at

<http://www.exeloncorp.com/Newsroom/downloads/downloads.aspx> under the link Publications.

For additional information regarding the company, please refer to its annual reports, located at

<http://www.exeloncorp.com/performance/investors/overview.aspx>

SPONSOR: Exelon Corporation

JOINT APPLICANTS
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RESPONSE TO JEREMY FIRESTONE'S INITIAL PHASE REQUESTS
FOR PRODUCTION OF DOCUMENTS

QUESTION NO. 5

- Q. PROVIDE A COPY OF ANY TESTIMONY OF OR REPORTS PREPARED BY DR. TIERNEY RELATED TO THE CAPE WIND OFFSHORE WIND POWER PROJECT OR THE DEEPWATER WIND BLOCK ISLAND OFFSHORE WIND POWER PROJECT

RESPONSE:

- A. See DE 14-193 Firestone Set 1 Q5 Attachment 1 - 3.

SPONSOR: Exelon Corporation

JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO JEREMY FIRESTONE'S INITIAL PHASE REQUESTS
FOR PRODUCTION OF DOCUMENTS

QUESTION NO. 6

- Q. ~~PROVIDE A COPY OF ALL DOCUMENTS RELATED WITH RESPECT TO THE~~ JOINT PETITION OF APPROVAL OF SETTLEMENT AND THE JOINT SETTLEMENT ENTERED INTO IN CASE 9271 BEFORE THE PUBLIC SERVICE COMMISSION OF MARYLAND (A.K.A., THE BGE/EXELON MERGER) PROVIDE A COPY OF ALL PUBLIC STATEMENTS MADE, PRESS RELEASES, TESTIMONY, ETC. RELATED TO RENEWABLE ENERGY MADE BY EXELON OR ANY OF ITS AFFILIATES.²

RESPONSE:

- A. The Joint Applicants object to this request on grounds that it is overly broad, unduly burdensome, and seeks information that is irrelevant. Without waiving any objection, see response to Staff Set 1 Q 61.

SPONSOR: Exelon Corporation

² Underlined/bolded/strikethrough language reflects changes to the request agreed upon between the Joint Applicants and Intervener Jeremy Firestone.

EXHIBIT C

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Rule 14a-101)**

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

PEPCO HOLDINGS, INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(f)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
Common Stock, \$0.01 par value
 - (2) Aggregate number of securities to which transaction applies:
253,666,978 shares of Pepco Holdings, Inc. common stock (including 90,275 shares of restricted stock, 2,077,251 shares of common stock issuable pursuant to outstanding time-based and performance-based restricted stock units (at target) and 84,861 common stock equivalents under various Pepco Holdings, Inc. deferred compensation plans and arrangements)
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
Solely for the purpose of calculating the filing fee, the per unit price is \$27.25, which is equal to the per share cash consideration to be paid in the merger described herein.
 - (4) Proposed maximum aggregate value of transaction:
\$6,912,425,147
 - (5) Total fee paid:
\$890,320.36. In accordance with Section 14(g) of the Securities Exchange Act of 1934, as amended, the filing fee was calculated by multiplying 0.0001288 by the proposed maximum aggregate value of the transaction of \$6,912,425,147.
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.
 - (1) Amount Previously Paid: _____
 - (2) Form, Schedule or Registration Statement No.: _____
 - (3) Filing Party: _____
 - (4) Date Filed: _____

THE MERGER

This discussion of the Merger is qualified in its entirety by reference to the Merger Agreement, which is attached to this proxy statement as Annex A. You should read the entire Merger Agreement carefully as it is the legal document that governs the Merger.

The Merger Agreement provides that, upon satisfaction or waiver of the conditions to the Merger, Merger Sub will merge with and into PHI. PHI will be the Surviving Corporation in the Merger. You will not own any shares of the capital stock of the Surviving Corporation in the Merger.

Merger Consideration

In the Merger, each outstanding share of our common stock (other than shares owned by Exelon, Merger Sub and us or any of their or our other direct or indirect, wholly-owned subsidiaries (in each case not held on behalf of third parties, but not including shares held by us in any "rabbi trust" or similar arrangement in respect of any compensation plan or arrangement)

and shares owned by stockholders who have perfected and not withdrawn a demand for, or lost their right to, appraisal with respect to such shares, which we refer to collectively as Excluded Shares) will be converted into the right to receive an amount in cash equal to \$27.25 per share, without interest and less any applicable withholding taxes.

Background of the Merger

The Board and senior management of PHI regularly review and assess PHI's long-term business plan and strategic alternatives available to PHI to enhance stockholder value, including potential business combination transactions. Lazard has participated and provided advice to the Board in connection with certain of these planning and review processes.

On January 27, 2014, PHI reported that its Chairman, President and Chief Executive Officer, Joseph M. Rigby, announced plans to step down from his position as President and Chief Executive Officer of PHI at the end of 2014 following the selection of his successor. PHI also announced that it would be conducting a search for a new chief executive officer. Mr. Rigby would continue to be employed by PHI through May 1, 2015 and would continue to serve as Executive Chairman through the date of PHI's 2015 annual stockholders meeting.

On January 28, 2014, Christopher M. Crane, the President and Chief Executive Officer of Exelon, called Mr. Rigby and expressed Exelon's interest in acquiring PHI in a cash transaction and asked Mr. Rigby to have dinner with him so that they could discuss the matter further. Mr. Rigby informed certain members of the Board and senior management of PHI of his conversation with Mr. Crane.

On February 4, 2014, Mr. Rigby received a call from the President and Chief Executive Officer of a company we will refer to as Bidder A, indicating that he wanted to have a discussion with Mr. Rigby about a possible transaction. On February 5 and February 9,

2014, Mr. Rigby informed certain members of senior management and certain members of the Board of his conversation with the Chief Executive Officer of Bidder A.

On the evening of February 5, 2014, Mr. Rigby had dinner with Mr. Crane. During dinner, Mr. Crane indicated Exelon's interest in acquiring PHI. Mr. Crane discussed the economics of an all-cash transaction at a price of approximately \$22.00 per share and the implied premiums to the then current market price of PHI's stock and the average price of PHI's stock over the last five years. Following the dinner, Mr. Rigby informed certain members of the Board and senior management of his conversation with Mr. Crane.

On February 7, 2014, certain members of senior management of PHI discussed the approaches from Exelon and Bidder A with representatives of Lazard and asked Lazard to prepare a preliminary financial analysis of PHI on a standalone basis. As noted previously, the Board and senior management had consulted with Lazard from time to time in the ordinary course and in connection with PHI's annual review of its long-term strategic plan.

On February 14, 2014, Mr. Rigby had a telephone conversation with Mr. Crane as a follow-up to their conversation on February 5. Also on February 14, Mr. Rigby received another call from the Chief Executive Officer of Bidder A regarding Bidder A's interest in acquiring PHI. Mr. Rigby informed certain members of the Board and senior management of his conversations.

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On February 20, 2014, Mr. Rigby had a call with the Board that was also attended by certain members of senior management. Mr. Rigby discussed with the Board the inquiries made by each of Exelon and Bidder A, indicating that at the regular Board meeting scheduled for the following week PHI would invite outside financial and legal advisors to attend the meeting to discuss the inquiries received, possible responses and other alternatives available to PHI. After a discussion, the Board determined that Mr. Rigby should inform each of Exelon and Bidder A that their inquiries would be discussed by the Board. On February 20 and 21, 2014, Mr. Rigby contacted Mr. Crane and the Chief Executive Officer of Bidder A, respectively, to so inform them. Each of Mr. Crane and the Chief Executive Officer of Bidder A during such conversations indicated an interest in commencing a due diligence investigation of PHI.

On February 26, 2014, the Board held a meeting that was also attended by certain members of senior management and representatives of Lazard and Sullivan & Cromwell LLP, special counsel to PHI, which we refer to as Sullivan & Cromwell. A representative of Lazard reviewed with the Board various preliminary financial analyses with respect to PHI, including management's long-term strategic plan that had been discussed with the Board in September 2013, preliminary valuation analyses and sensitivities related to the foregoing. A representative of Lazard also discussed with the Board various options potentially available to PHI, including continuing to pursue its long-term business plan or pursuing a strategic transaction, companies that potentially could be interested in acquiring PHI, including financial counterparties (including private equity funds, infrastructure funds and pension funds), potential companies for PHI to consider acquiring, and possible paths for pursuing these options. A representative of Sullivan & Cromwell reviewed with the Board the directors' fiduciary duties under Delaware law in connection with considering the various options available to PHI, the importance of confidentiality and, if PHI were to pursue a strategic transaction, the regulatory approval process and the potential risks related thereto.

On February 27, 2014, the Board held a meeting that was also attended by certain members of senior management and representatives of Lazard and Sullivan & Cromwell. The Board continued to discuss the various options available to PHI, PHI's long-term strategic plan and potential risks in connection with the achievement of that plan, potential counterparties and potential risks with respect to the regulatory approval process if PHI were to decide to pursue a strategic transaction. After discussion, the Board determined that the inquiries from Exelon and Bidder A made further investigation of a strategic transaction advisable. The Board directed management and its advisors to contact six additional

potential strategic counterparties from the list that had been identified by Lazard and discussed with the Board (in addition to Exelon and Bidder A), each of which was a utility holding company, enter into non-disclosure agreements with each of those eight potential counterparties that were interested in doing so (referred to as the counterparties), provide limited due diligence information to each of them and ask each interested counterparty for an indication of their interest prior to the next Board meeting, so that the Board could determine, based on the indications, including price and commitment to obtaining regulatory approvals, whether to continue considering pursuit of a possible strategic transaction. The Board determined, based on the view of Lazard and discussions at the meeting, that the eight counterparties included the parties with the greatest likelihood to have the financial resources and strategic intent to acquire PHI. This aspect of the process is referred to as Phase I.

Between February 28, 2014 and March 4, 2014, Mr. Rigby contacted the chief executive officer and, at the direction of PHI, Lazard also contacted the chief executive officer or other senior officers, of each of the potential counterparties and informed each of them (i) that the Board had decided to explore pursuing potential strategic options, (ii) that in Phase I of this process it would permit each interested counterparty to conduct a limited, confidential due diligence review of PHI, (iii) of the timetable for Phase I, and (iv) that key issues for the counterparties to address would be price and potential regulatory risks and closing certainty in respect of any proposed transaction.

On March 6, 2014, one of the potential counterparties indicated it was not interested in participating in Phase I. On March 7, 2014, Bidder A indicated it was no longer interested in pursuing an acquisition of PHI. On March 7, 2014, a company we will refer to as Bidder B and Exelon each entered into non-disclosure agreements with PHI. On March 10, 2014, a company we will refer to as Bidder C entered into a non-disclosure agreement with PHI. On March 11, 2014, a company we will refer to as Bidder D entered into a non-disclosure agreement with PHI. On March 14, 2014, a company we will refer to as Bidder E entered into a non-disclosure agreement with PHI. On March 24, 2014, one of the potential counterparties indicated it was not interested in participating in Phase I. Each of the non-disclosure agreements entered into by PHI included a "don't ask, don't waive" standstill provision that prohibited the potential counterparty from making a proposal for PHI unless PHI asks for such proposal and prohibited such counterparty from asking PHI for a waiver of such provision.

Between March 13, 2014 and March 24, 2014, management of PHI provided each of Exelon and Bidders B, C, D and E with limited due diligence and

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non-public financial information regarding PHI, which included participating in due diligence calls with representatives and outside advisors of each of Exelon and Bidders B, C, D and E.

On March 17, 2014, the Finance Committee of the Board held a meeting that was also attended by certain members of senior management. At the meeting, management of PHI updated the members of the Finance Committee as to the status of Phase I, including the fact that PHI had entered into a non-disclosure agreement with each of Exelon and Bidders B, C, D and E, the status of due diligence materials provided to each of the various counterparties and the description of due diligence calls held with each of the various counterparties. Senior management and PHI's advisors stated that they would regularly update the Finance Committee on the status of Phase I.

On March 27, 2014, PHI received indications of interest from Exelon and each of Bidders B, C, D and E. The indication of interest from Exelon provided for an acquisition of PHI in an all cash transaction for \$24.00 per share; the indication of interest from Bidder D provided for an acquisition of PHI in an all cash transaction for \$26.00 per share; the indication of interest from Bidder E provided for an acquisition of PHI in a cash and stock transaction (with stock representing 50% to 75% of the consideration) amounting in the aggregate to a nominal value of \$24.00 per share; and the indication of interests from Bidders B and C were each at nominal values lower than \$24.00 per share.

On March 29, 2014, certain members of senior management of PHI and representatives of Lazard and Sullivan & Cromwell met to review the indications of interest received from each of Exelon and Bidders B, C, D and E and held calls with each of such counterparties to clarify and ask questions with respect to the indication of interest submitted by each counterparty.

On April 1, 2014, the Finance Committee of the Board held a meeting that was also attended by certain members of senior management and representatives of Lazard and Sullivan & Cromwell. Senior management reviewed with the Finance Committee PHI's updated long-term base case plan and regulatory upside case, which upside case assumed, among other things (as discussed in "—Forecasted Financial Information" beginning on page 46), 12-month forward reliability capital expenditures in the rate base in each of PHI's relevant jurisdictions. The Finance Committee discussed changes to both plans since September 2013 and potential risks and benefits contained in such plans. Senior management also discussed with the Finance Committee the potential negative financial impact on the base case plan if PHI were to enter into a merger agreement and be prohibited or limited in its ability to make rate case

filings for approximately 18 months while a transaction was pending. Representatives of Lazard also reviewed the Phase I process, including the indications of interest that had been received and the calls with each of the counterparties to review and clarify their indications of interest, and discussed each of the potential counterparties with the Finance Committee. The Finance Committee discussed with senior management and PHI's advisors potential next steps, potential timing and risks to completion of a transaction, including potential mitigation strategies, if PHI were to enter into a transaction. The Finance Committee also discussed with representatives of Sullivan & Cromwell the existence of any potential conflicts of interest of management or PHI's outside advisors and the merits of the Board retaining a separate financial advisor to advise the Board and to provide a review of the sale process being conducted by PHI as well as the value of PHI.

On April 3, 2014, the Board held a meeting that was also attended by certain members of senior management and representatives of Lazard and Sullivan & Cromwell. Representatives of Lazard reviewed the Phase I process, including the five indications of interest received and the various mixes of consideration offered in connection with each indication of interest. Representatives of Lazard discussed the various potential counterparties with the Board, including certain operating and regulatory issues facing Bidder E and the potential impact that such issues could have on the stock component of its proposal. A representative of Lazard reviewed with the Board its preliminary valuation of PHI on a standalone basis, its preliminary analysis of the indications of interest received and noted that in its view, the universe of potential buyers contacted included the parties with the greatest likelihood to have the financial resources and strategic intent to acquire PHI. Members of senior management reviewed the updated base case and regulatory upside case projections that were provided to the Finance Committee on April 1, 2014 and discussed the material differences between the two. A representative of Sullivan & Cromwell reviewed with the Board the directors' fiduciary duties under Delaware law. Members of senior management discussed with the Board certain regulatory considerations in connection with any merger transaction, including the regulatory approval process, potential risks related to the inability to complete a merger transaction and possible steps that could be taken to mitigate such risks, the likelihood that PHI would be unable to file new rate cases while a merger transaction was pending, the potential financial impact on PHI of up to an 18 month hiatus in new rate case filings and recent conditions imposed in other merger transactions by the regulators in jurisdictions relevant to PHI. The Board also discussed the potential retention by the Board of a separate financial advisor to review the sale process being undertaken by PHI,

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conduct a financial valuation of PHI independent of the valuation being conducted by Lazard and render a fairness opinion independent of the opinion that Lazard might be asked to provide. After discussion, the Board determined, based on the indications of interest received and the discussions with the counterparties regarding their indications of interest, to continue discussions with Exelon and Bidder D to determine if PHI could reach an agreement with either of such parties, at a price and on terms, including with respect to closing certainty and regulatory commitments, that the Board believed would achieve the best value reasonably available for PHI's stockholders in a transaction that would be likely to close. We refer to this aspect of the process as Phase II. The Board also determined that the Finance Committee should receive regular updates on the status of Phase II from senior management and PHI's advisors. Following this meeting, Exelon and Bidder D were invited to participate in Phase II and Bidders B, C and E were informed that they were not being invited to participate in Phase II.

Following the April 3, 2014 Board meeting and at the request of the Board, senior management of PHI and PHI's Lead Independent Director had discussions with Morgan Stanley regarding the potential retention by the Board of Morgan Stanley as a financial advisor, with Morgan Stanley having confirmed their availability to be so retained. On April 10, 2014, PHI received information from Morgan Stanley in response to questions posed by PHI as to any potential conflicts that would exist if Morgan Stanley were engaged by the Board as its financial advisor. On April 12, 2014, and following review of Morgan Stanley's prior relationships and notification by Morgan Stanley to PHI that there were no conflicts, Morgan Stanley executed an engagement letter with the Board. PHI had a due diligence call with Morgan Stanley on April 16, 2014.

On April 9, 2014, representatives of PHI and a representative of Sullivan & Cromwell met with representatives of Bidder D and a representative of outside counsel to Bidder D to discuss regulatory approval matters, including the nature of the potential regulatory commitments that Bidder D might be expected to make in order to secure the necessary regulatory approvals in the event of a transaction between PHI and Bidder D and the process for seeking and obtaining those approvals.

On April 10, 2014, the Finance Committee of the Board held a meeting that was also attended by certain other members of the Board, certain members of senior management and representatives of Lazard and Sullivan & Cromwell. The Finance Committee was provided with an update on Phase II, including with respect to the status of a draft Merger Agreement, the status of the establishment of an electronic data room, the status of discussions with Morgan Stanley

regarding its possible retention as a financial advisor to the Board, the discussions with counterparties who were not invited to proceed in Phase II, the status of PHI's consideration of regulatory approval matters, and the results of a meeting on regulatory matters that occurred with Bidder D on April 9, 2014. A representative of Sullivan & Cromwell also discussed with the Finance Committee key terms of a draft of a proposed Merger Agreement that had been prepared by Sullivan & Cromwell and members of senior management of PHI. In particular, Sullivan & Cromwell discussed with the Board a provision in the proposed Merger Agreement providing for a \$180 million reverse termination fee which a buyer would pay to PHI if the transaction did not close due to failure to receive regulatory approvals as a way to partially compensate PHI in the event of termination of the Merger Agreement for the inability of PHI to file new rate cases while a merger transaction was pending. Other provisions related to regulatory matters were also discussed. The representative of Sullivan & Cromwell also discussed with the Finance Committee a structure whereby PHI would obtain from the counterparty an up-front cash payment in the amount of the proposed reverse termination fee by requiring the counterparty to purchase Company preferred stock at the time the Merger Agreement was executed.

Later on April 10, 2014, representatives of PHI and a representative of Sullivan & Cromwell met with representatives of Exelon and a representative of Kirkland & Ellis LLP, outside counsel to Exelon, which we refer to as Kirkland & Ellis, to discuss regulatory approval matters, including the nature of the potential regulatory commitments that Exelon might be expected to make in order to secure the necessary regulatory approvals in the event of a transaction between PHI and Exelon and the process for seeking and obtaining those approvals.

On April 11, 2014, an initial draft of the Merger Agreement was provided to Exelon and Bidder D. On April 11, 2014, PHI made available to each of Exelon and Bidder D additional non-public information regarding PHI in an electronic data room. Management of PHI and representatives of Lazard also continued to respond to additional due diligence requests from Exelon and Bidder D.

During the week of April 14, 2014, PHI held management meetings with each of Bidder D and Exelon.

On April 17, 2014, the Finance Committee of the Board held a meeting that was also attended by certain other members of the Board, members of senior management and representatives of Lazard and Sullivan & Cromwell. The Finance Committee was provided with an update on Phase II, including with respect to the management due diligence meetings that took place with each of Exelon and Bidder D, the

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fact that the draft Merger Agreement had been provided to the counterparties on April 11, 2014 and that revised drafts of the Merger Agreement were expected from each of Exelon and Bidder D the week of April 20, 2014, the regulatory approval and commitment discussions held with each of Exelon and Bidder D, and possible timing for receiving final proposals from each of Exelon and Bidder D.

On April 18, 2014, representatives of Kirkland & Ellis sent to Sullivan & Cromwell a memo describing Exelon's most significant issues with respect to the April 11, 2014 Merger Agreement draft provided by PHI, including the amount and timing of the payment of a reverse termination fee, the definition of burdensome condition as it related to the level of regulatory commitments Exelon would be required to agree to with regulators, various deal protection provisions (particularly the terms of the no-shop provision and the amount and conditions for payment by PHI of a break-up fee), PHI's ability to pay a stub dividend to its stockholders prior to closing, and the length of time during which Exelon would be required to maintain certain levels of employee compensation and benefits after closing a merger transaction. On April 21, 2014, representatives of Sullivan & Cromwell discussed Exelon's most significant issues with representatives of Kirkland & Ellis. In particular, Sullivan & Cromwell provided guidance that limitations on the reverse termination fee and narrowing the definition of burdensome condition may significantly disadvantage Exelon's bid.

On April 18, 2014, the Compensation/Human Resources Committee of the Board, or the Compensation Committee, also held a meeting that was also attended by representatives of Sullivan & Cromwell, Covington & Burling, LLP, outside counsel to PHI with respect to compensation matters, which we refer to as Covington & Burling, and Pearl Meyer & Partners, LLC, the independent compensation consultant to the Compensation Committee, which we refer to as PM&P. The Compensation Committee discussed with its advisors its desire to extend the terms of Mr. Rigby's employment with PHI through the completion of a transaction in the event that PHI entered into a merger agreement with a counterparty. A representative of Sullivan & Cromwell informed the Compensation Committee that each of Exelon and Bidder D had indicated a preference to have Mr. Rigby remain as Chairman, President and Chief Executive Officer of PHI through completion of any merger transaction.

On April 21, 2014, representatives of PHI and Manatt, Phelps & Phillips, LLP, special regulatory counsel to PHI, met with representatives of Exelon and Kirkland & Ellis to discuss strategies for seeking necessary regulatory approvals.

On April 22, 2014, outside counsel to Bidder D sent to representatives of Sullivan & Cromwell comments on the April 11, 2014 Merger Agreement draft provided

by PHI. On April 23, 2014, after discussion with senior management of PHI, Sullivan & Cromwell discussed with outside counsel to Bidder D the significant issues with respect to its revised draft of the Merger Agreement, including the timing, triggers for payment and amount of a reverse termination fee, the definition of burdensome condition as it relates to the level of regulatory commitments Bidder D would be required to agree to with regulators, deal protection provisions, the definition in the draft of the Merger Agreement of a Company material adverse effect, PHI's ability to pay a stub dividend to its stockholders prior to closing, and the treatment of employee matters with respect to the period between signing and closing.

On April 23, 2014, Kirkland & Ellis sent representatives of Sullivan & Cromwell comments on the April 11, 2014 draft of the Merger Agreement provided by PHI. The comments reflected discussions had during the call between Sullivan & Cromwell and Kirkland & Ellis on April 21, 2014.

On April 24, 2014, the Finance Committee of the Board held a meeting that was also attended by all of the other members of the Board, certain members of senior management and representatives of Lazard, Morgan Stanley and Sullivan & Cromwell. A representative of Lazard discussed the status of various aspects of Phase II, including the proposed financing plans of each of Exelon and Bidder D and discussions by these potential counterparties regarding the transaction with the credit rating agencies, receipt of a revised draft of the Merger Agreement from each of Exelon and Bidder D, that final proposals were expected to be received on April 25, 2014, and that management and PHI's advisors would discuss the proposals and endeavor to negotiate terms with the potential counterparties in advance of the Board's meeting scheduled for April 29, 2014. After discussion, the Finance Committee determined that it would recommend to the Board that the Board meeting to consider the final proposals be held on April 29, 2014, and, based on terms and price, that a Board meeting be scheduled after the close of the market on May 2, 2014 to discuss and decide whether to proceed with a transaction and if so, to vote on a merger agreement with the leading bidder. A representative of Sullivan & Cromwell also reviewed with the directors the process undertaken by the Board in Phase I and Phase II and discussed with the directors certain aspects of the draft Merger Agreement and comments thereto from the counterparties. A representative of Sullivan & Cromwell also discussed with the directors that the non-disclosure agreements that PHI had entered into with each counterparty contained standstills that include "don't ask, don't waive" provisions and the effect of such provisions once PHI enters into a merger agreement. After discussion, the directors expressed the view that the "don't ask, don't waive"

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aspect of the standstill should be waived by PHI with respect to the counterparties who were not invited to participate in Phase II. With respect to Exelon and Bidder D, the Finance Committee and other Board members present determined that such counterparties should be informed that such provision would not be waived, and the provision would be enforced, with respect to the party that is not successful, so as to enable PHI to obtain each party's best price and terms as part of Phase II.

On April 24, 2014, the Board held a meeting that was also attended by certain members of senior management and a representative of Sullivan & Cromwell. A representative of Sullivan & Cromwell discussed with the Board the application of Delaware law with respect to evaluating the offers to be received, the duty of directors to consider both price and closing risks associated with any proposal and the complexities that can arise in such analysis based on contract terms and other differences between potential counterparties.

On April 24, 2014, the Compensation Committee also held a meeting that was attended by representatives of Sullivan & Cromwell, Covington & Burling and PM&P. The Compensation Committee discussed the possible extension of Mr. Rigby's employment agreement for a period of up to two years if PHI were to enter into a merger agreement, possible terms of such an extension agreement, discussions with Mr. Rigby regarding the terms thereof and the desire of each of Exelon and Bidder D to have Mr. Rigby remain as President and Chief Executive Officer of PHI while a merger transaction is pending. The Compensation Committee determined to continue discussions regarding such possible extension and obtain additional information regarding the amounts that would be payable in connection therewith.

After the April 24, 2014 discussions between PHI's directors, senior management and advisors at the Board meeting, at PHI's direction, Lazard informed Exelon that based on the price offered in its Initial Indication of interest and Exelon's comments on the draft Merger Agreement received on April 23, 2014, Exelon's proposal was less attractive on price and transaction terms, and that Exelon should take these matters into consideration when submitting its final proposal on April 25, 2014. At PHI's direction, Lazard also advised each of Exelon and Bidder D that the bids submitted on April 25, 2014 should represent their respective best and final offers and that each of them should not assume it would have an opportunity thereafter to improve their offers.

On April 25, 2014, PHI received final proposals to acquire PHI from each of Exelon and Bidder D, including revised drafts of the Merger Agreement. Exelon proposed to pay \$27.00 per share in cash and Bidder D proposed to pay \$26.50 per share in cash.

From April 26, 2014 through April 28, 2014, based on guidance received from the Board and members of

senior management, representatives of Sullivan & Cromwell negotiated, and exchanged multiple revised drafts of the Merger Agreement with outside counsel for each of Exelon and Bidder D to address the significant issues raised by them, as discussed above. During this exchange, the parties focused on the definition of burdensome condition, the timing of the preferred stock investment to fund the reverse termination fee, the amount of the termination fee and the circumstances under which the termination fee would be payable.

On April 27, 2014, the Board held a meeting that was also attended by certain members of senior management and representatives of Lazard, Morgan Stanley and Sullivan & Cromwell. Mr. Rigby updated the Board with respect to the process since the April 24, 2014 Board meeting, including the proposals submitted on April 25, 2014 by Exelon of \$27.00 per share in cash and by Bidder D of \$26.50 per share in cash. Mr. Rigby also discussed with the Board an April 26, 2014 meeting among certain members of senior management of PHI and PHI's outside legal and financial advisors during which different possible approaches had been discussed to seek to take advantage of the significant competition between Exelon and Bidder D to permit PHI to obtain the best possible price and the greatest transaction certainty. He advised the Board that during this meeting senior management and the outside advisors agreed with a proposed strategy of accelerating the process to reach final agreement with Exelon, as the bidder presenting both the highest price and best proposed contractual terms at the time, and given the risk to the process from public disclosure or speculation regarding a potential transaction, but continuing to negotiate strongly for the best possible contractual protections around transaction certainty from both bidders and remaining open throughout to the possibility of obtaining higher prices from Exelon and Bidder D. Mr. Rigby also discussed a subsequent telephone conversation on April 26, 2014 with representatives of Morgan Stanley and PHI's Lead Independent Director with respect to the foregoing strategy in which they agreed with the strategy. Mr. Rigby also described negotiations between representatives of Sullivan & Cromwell and counsel to each of Exelon and Bidder D on the draft of the Merger Agreement and the progress that had been made with respect to the significant issues discussed above. Mr. Rigby noted that based on these discussions, he spoke to Mr. Crane on April 26, 2014 to indicate PHI's potential desire to accelerate the timetable for entering into the Merger Agreement to following the close of business on April 29, 2014.

A representative of Sullivan & Cromwell discussed the status of negotiations with respect to the Merger Agreement with Exelon. The representative of Sullivan & Cromwell noted that Exelon had agreed generally to accept the material features of PHI's position on

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significant items, including the formulation of the definitions of burdensome condition and Company material adverse effect proposed by PHI on April 26, 2014, and agreeing that PHI could pay a stub dividend to PHI's common stockholders prior to closing. The representative of Sullivan & Cromwell also reported that agreement had been reached with Exelon on various deal protection provisions and on the amount and terms of the reverse break-up fee (whereby Exelon would agree to purchase \$90 million of PHI's preferred stock upon execution of the Merger Agreement, and would agree to purchase \$18 million of preferred stock every 90 days thereafter up to an aggregate of \$180 million). The representative of Sullivan & Cromwell also discussed the negotiations with respect to the Merger Agreement with Bidder D, including that Bidder D was still considering PHI's proposed definition of burdensome condition (which Bidder D generally agreed to on April 28, 2014) and was resisting various aspects of the exceptions to the definition of a Company material adverse effect, but that Bidder D had agreed to purchase \$180 million of PHI's preferred stock upon the signing of the Merger Agreement to fund the reverse termination fee and had agreed that PHI could pay a stub dividend to its common stockholders prior to closing.

After discussion, the Board determined that, given the status of the Merger Agreement discussions, the limited number of open issues, and the advice from senior management and PHI's advisors, it would be beneficial to PHI for the transaction and confidentiality reasons discussed above to seek to accelerate the timing of entering into a merger agreement. The Board also determined that senior management and PHI's advisors should proceed on such accelerated basis understanding that facts and circumstances could change such that the Board might not be in a position to make a decision on April 29, 2014. There was discussion of the possibility of accelerating the timing for reaching final agreement with both Exelon and Bidder D, but after a thorough discussion with senior management and its advisors that alternative was viewed as impractical to achieve with respect to both Exelon and Bidder D simultaneously. The Board concurred with senior management and PHI's advisors, and determined that if Bidder D ended up having the more attractive proposal, PHI would defer final action on that proposal until May 2, 2014.

On April 28, 2014, the Chief Executive Officer of Bidder D called Mr. Rigby and asked what level of price increase was necessary for Bidder D to be the highest bidder. In response, Mr. Rigby asked for Bidder D's best and final price, and in response, Bidder D raised its bid to \$27.00 per share in cash. Following that call, on April 28, 2014, Mr. Rigby

informed Mr. Crane that Bidder D had raised its bid and asked Mr. Crane for Exelon's best and final price. In response, Exelon raised its bid to \$27.25 per share in cash.

During the morning of April 29, 2014, the Board held a meeting attended by certain members of senior management and representatives of Lazard, Morgan Stanley and Sullivan & Cromwell. Mr. Rigby updated the Board with respect to the increased bids made by each of Exelon and Bidder D. Mr. Rigby noted that each such counterparty had indicated to Mr. Rigby that its increased bid was its best and final offer on price, and that based on the higher price being offered by Exelon and the other terms in the Merger Agreement draft that Exelon had agreed to, that the purpose of the meeting was for the Board to discuss and consider a proposed transaction with Exelon. Representatives of Sullivan & Cromwell reviewed with the Board the directors' fiduciary duties under Delaware law, the process followed by the Board in connection with considering the transaction and the terms of the draft Merger Agreement with Exelon. A representative of Lazard reviewed with the Board PHI's standalone management plan and discussed the firm's valuation analysis of PHI based on such plan as compared to the prices being offered by Exelon and Bidder D, including that the top end of the discounted cash flow analysis with respect to the management base case was below the prices being offered by each of Exelon and Bidder D. A representative of Morgan Stanley reviewed with the Board the sale process PHI had followed and Morgan Stanley's valuation analysis with respect to PHI, including the premium and multiple to be received in the Merger. Members of senior management reviewed with the Board the anticipated regulatory approval process, the regulatory commitments agreed to by Exelon and the due diligence that senior management had performed on Exelon and Bidder D, including with respect to regulatory relationships, reliability, operating track records and employee matters. Mr. Crane and certain other members of senior management of Exelon then joined the Board meeting. Mr. Crane addressed the Board, including as to Exelon's regulatory commitments in connection with the Merger.

On April 29, 2014, the Compensation Committee also held a meeting that was attended by representatives of Sullivan & Cromwell, Covington & Burling and PM&P. The Compensation Committee reviewed and discussed the terms of the proposed extension of Mr. Rigby's employment agreement and approved, subject to PHI entering into the Merger Agreement, the amendment of Mr. Rigby's employment agreement on such terms, which would, among other things, extend the term of his employment for an additional period of up to two years.

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In the afternoon of April 29, 2014, the Board held a meeting attended by certain members of senior management and representatives of Lazard, Morgan Stanley and Sullivan & Cromwell. Representatives of Sullivan & Cromwell summarized the negotiations that had taken place since the meeting earlier in the day and presented the final Merger Agreement, including the certificate of designation and subscription agreement for the Series A preferred stock, which Exelon would purchase in order to fund the reverse termination fee. Lazard delivered its oral opinion to the Board (which was subsequently confirmed by delivery of a written opinion dated April 29, 2014), to the effect that, as of April 29, 2014, and based upon and subject to the assumptions, procedures, factors, qualifications and limitations set forth in its opinion, the Merger consideration of \$27.25 in cash per share of outstanding Company common stock to be paid to holders of such Company common stock (other than excluded shares) in the Merger was fair, from a financial point of view, to such holders. Morgan Stanley delivered its oral opinion to the Board (which was subsequently confirmed by delivery of a written opinion dated April 29, 2014), to the effect that, as of April 29, 2014, based upon and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley as set forth in its opinion, the Merger consideration to be received by holders of shares of Company common stock (other than excluded shares) pursuant to the Merger Agreement was fair from a financial point of view to such holders. Thereafter, the Board

unanimously determined that the Merger is fair to and in the best interests of PHI and its stockholders and approved and declared advisable the Merger Agreement, the Merger and the other transactions contemplated thereby, and resolved that the Merger Agreement be submitted for consideration by the holders of PHI's common stock at a special meeting of stockholders, and recommended that such stockholders of PHI vote to adopt the Merger Agreement.

PHI then sent letters to each of Bidders B, C and E waiving the "don't ask, don't waive" aspect of the standstill provision contained in the non-disclosure agreements between PHI and each of such bidders.

Immediately thereafter, Exelon, PHI and Merger Sub executed the Merger Agreement and the subscription agreement with respect to the Series A preferred stock. On April 30, 2014, PHI and Exelon issued a joint press release announcing the execution of the Merger Agreement prior to the commencement of trading on the NYSE. The Certificate of Designation with respect to the Series A preferred stock was filed by PHI with the Secretary of State of the State of Delaware on April 30, 2014.

On July 18, 2014, PHI, Exelon and Merger Sub entered into the amended and restated Merger Agreement following approval thereof by their respective boards of directors. The amended and restated Merger Agreement did not make any material changes to the terms of the original Merger Agreement.

Reasons for the Merger; Recommendation of Our Board

Reasons for the Merger

The Board held six meetings at which the possibility of initiating or executing the exploration of a sales process was discussed. Beginning on February 26, 2014, PHI's outside legal advisor, Sullivan & Cromwell, and financial advisor, Lazard, participated in portions of the six meetings of the Board at which such subject matter was discussed. On April 12, 2014, the Board also retained Morgan Stanley as an additional financial advisor. The Board met in executive session at each meeting without management and advisors.

At a meeting held on April 29, 2014, the Board unanimously determined that the Merger is advisable and fair to and in the best interests of PHI and its stockholders, approved the Merger Agreement and resolved to recommend that PHI's stockholders adopt the Merger Agreement. On July 18, 2014, the Board approved amendments to the Merger Agreement and resolved to recommend that PHI's stockholders adopt the amended and restated Merger Agreement.

The Board believes that PHI's operating performance was improving and that over time, improved operating performance should improve regulatory outcomes and financial performance. However, the unsolicited inquiries regarding a possible transaction, combined with the announcement of Mr. Rigby's retirement plans, caused the Board to consider whether a sale transaction might be preferable to the status quo. The results of that exploration led to the Merger Agreement with Exelon and the \$27.25 Per Share Merger Consideration, which the Board approved because it believes it compensates stockholders not only for the value of PHI's current business and results but also for the potential that these results will improve as future regulatory outcomes improve. The Board also believes that the time to execute a sale for cash is advantageous because utility trading multiples are at historic highs due in part to the low interest rate environment and the resulting attractiveness of utility dividend yields. While it is impossible to accurately predict future

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interest rates or stock price multiples, the Board believes there likely is more risk of interest rates increasing and utility multiples decreasing than the alternative, suggesting this could be an optimal time to sell PHI for cash.

In addition to the foregoing, the material factors considered by the Board in making these determinations included the following:

- Their understanding of the business, operations, financial condition, earnings, regulatory position, strategy and prospects of PHI, as well as PHI's historical and projected financial performance.
- The \$27.25 Per Share Merger Consideration represented approximately a 29.5% premium to the volume-weighted average trading price of PHI's common stock for the 20 trading day period ending on April 25, 2014, the last full trading day prior to press speculation regarding a possible merger transaction. The premium offered represents approximately \$1.6 billion of value to PHI's stockholders.
- That the \$27.25 Per Share Merger Consideration indicated an implied valuation multiple of 22.7x PHI's projected earnings per share, or EPS, for fiscal year 2014, as compared to a precedent transaction median multiple of 17.7x EPS for the current fiscal year.
- The opinions of Lazard and Morgan Stanley, each dated April 29, 2014, that as of such date and based on, and subject to, various assumptions and limitations described in their respective opinions, the \$27.25 Per Share Merger Consideration to be received by holders of PHI's common stock (other than Excluded Shares) was fair, from a financial point of view, to such holders, including the various analyses undertaken by Lazard and Morgan Stanley in connection with their respective opinions, each of which is described below under "The Merger—Opinion of Lazard" and "The Merger—Opinion of Morgan Stanley" beginning on pages 34 and 42, respectively, and particularly the fact that these analyses show that the \$27.25 Per Share Merger Consideration was above the range of values that resulted from most of the valuation methodologies employed by these firms.
- The negotiations that took place between the parties resulted in an increase from Exelon's initial expression of interest on February 5, 2014 of approximately \$22.00 per share to the Per Share Merger Consideration of \$27.25.
- That the Company had conducted a competitive process and that Exelon was the highest bidder in such process.
- That under the Merger Agreement, PHI is permitted to declare and pay regular quarterly dividends on its common stock of up to \$0.27 per share, and that PHI is permitted to pay a pro-rata final dividend based upon the number of days from the record date for the prior full dividend to the closing date of the Merger.
- The Board's belief that the all-cash merger consideration will allow PHI's common stockholders to realize in the near term a fair value, in cash, for their shares, while avoiding medium and long-term market and business risks and the risks associated with realizing current expectations for PHI's future financial performance.
- The Board's belief that the Per Share Merger Consideration compensates PHI's common stockholders not only for the value of PHI's current business and results but also for the potential that these results will improve as future regulatory outcomes improve.
- All of the terms and conditions of the Merger Agreement, including, among other things, the representations, warranties, covenants and agreements of the parties, the conditions to closing of the Merger, the form and structure of the Merger consideration, the termination rights and the right of PHI under certain circumstances upon termination of the Merger Agreement associated with failure to obtain regulatory approvals to redeem the Series A preferred stock for a nominal amount.
- That while the Merger Agreement contains a covenant prohibiting PHI from soliciting third-party acquisition proposals, the Merger Agreement permits PHI, prior to the time that Company stockholders adopt the Merger Agreement, to discuss and negotiate, under specified circumstances, an unsolicited acquisition proposal should one be made and, if the Board determines in good faith, after consultation with its legal and financial advisors, that the unsolicited acquisition proposal constitutes a superior proposal within the meaning of the Merger Agreement, the Board is permitted, after taking certain steps, to terminate the Merger Agreement in order to enter into a definitive agreement for that superior proposal, subject to payment of a termination fee of \$259 million (or \$293 million if the superior proposal is made by Bidder D).

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- That the Merger Agreement allows the Board, prior to the time that our stockholders adopt the Merger Agreement, to change or withdraw its recommendation of the Merger Agreement in connection with a superior proposal or if any change, event, or occurrence becomes known to or understood by the Board that the Board determines in good faith, after consultation with its legal advisors, and if the failure to do so would be reasonably likely to be inconsistent with the Board's fiduciary duties under applicable law.

The Board also considered a variety of risks and potentially negative factors concerning the Merger and the Merger Agreement, including the following:

- The risk that the Merger will be delayed or will not be completed, including the risk that the required regulatory approvals may not be obtained, as well as the potential loss of value to PHI's stockholders and the potential negative impact on the financial position, operations and prospects of PHI if the Merger is delayed or is not completed for any reason.
- That PHI's common stockholders will have no ongoing equity participation in PHI or Exelon following the Merger and that PHI stockholders will cease to participate in PHI's future earnings or growth, if any, and will not benefit from increases, if any, in the value of PHI's common stock in the future.
- The risk of incurring substantial expenses related to the Merger, including in connection with the pursuit of regulatory approvals and also in connection with potential litigation that may arise in the future, and which subsequently did arise.
- The significant costs involved in connection with negotiating the Merger Agreement and completing the Merger, the substantial management time and effort required to effectuate the Merger and the related disruption to PHI's day-to-day operations during the pendency of the Merger.

- That PHI will be required to bear certain costs and expenses involved in connection with negotiating the Merger Agreement and attempting to close the Merger if the Merger is not consummated.
- The risk, if the Merger is not consummated, that the pendency of the Merger could affect adversely the relationship of PHI and its subsidiaries with their respective regulators, customers, employees, suppliers, agents and others with whom they have business dealings.
- The terms of the Merger Agreement that place restrictions on the conduct of PHI's business prior to completion of the Merger, including PHI's ability to file rate cases, which may delay or prevent PHI from undertaking business opportunities that may arise prior to completion of the Merger, and the resultant risk if the Merger is not consummated.
- That the receipt of cash in exchange for shares of PHI common stock pursuant to the Merger will be a taxable transaction for U.S. federal income tax purposes for many Company stockholders.
- That PHI's executive officers and directors may have interests in the Merger that are different from, or in addition to, the interests of PHI's stockholders, including the vesting of stock-based awards held by executive officers and directors, the payment of cash severance to certain executives of PHI if a termination of employment were to occur under specified circumstances in connection with the Merger, and the interests of PHI's directors and officers in continued indemnification and insurance coverage from the surviving corporation and Exelon under the terms of the Merger Agreement.

Recommendation of Our Board

Our Board recommends that you vote "FOR" approval of the Merger Proposal, the adoption of the Merger Agreement.

Opinion of Lazard

Summary of Opinion

PHI (which for purposes of Lazard's opinion and summary of financial analyses refers only to Pepco Holdings, Inc. and not its subsidiaries) retained Lazard

to provide it with financial advisory services and a fairness opinion in connection with the Merger. On April 29, 2014, Lazard rendered its written opinion, consistent with its oral opinion rendered on the same

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CURRENT MARKET PRICE OF OUR COMMON STOCK

Shares of our common stock are traded on the NYSE under the ticker symbol "POM." The following table sets forth during the periods indicated the high and low sales prices of our common stock for each of the specified periods:

	Dividend Per Share	Market Price	
		High	Low
2014			
First Quarter	\$ 0.27	\$20.93	\$18.53
Second Quarter	0.27	27.90	20.09
Third Quarter (through August 11, 2014)	—	27.92	26.53
2013			
First Quarter	0.27	21.43	18.82
Second Quarter	0.27	22.72	19.35
Third Quarter	0.27	20.90	18.04
Fourth Quarter	0.27	19.62	18.19
2012			
First Quarter	0.27	20.48	18.63
Second Quarter	0.27	19.63	18.14
Third Quarter	0.27	20.30	18.67
Fourth Quarter	0.27	20.06	18.80

The closing sale price of our common stock on April 29, 2014, which was the last trading day before the Merger was publicly announced, was \$22.79 per share. On August 11, 2014, the most recent practicable date before this proxy statement was mailed to our stockholders, the closing price for our common stock was \$26.87 per share.

We encourage you to obtain current market quotations prior to making any decision with respect to the Merger. The market price of shares of our common stock may fluctuate between the date of this proxy statement and the completion of the Merger.

The most recent quarterly dividend that we declared prior to the date of this proxy statement was \$0.27 per share of common stock declared on April 24, 2014

and paid on June 30, 2014. Our current dividend is \$1.08 per share of common stock on an annual basis. Under the Merger Agreement, we are permitted to continue to pay a regular quarterly dividend of up to \$0.27 per share prior to completion of the Merger. In addition, the Merger Agreement permits us to pay a "stub period" dividend to stockholders of record immediately prior to the Effective Time equal to the product of the number of days from the record date for payment of the last quarterly dividend that we paid prior to the Effective Time and a daily dividend rate determined by dividing the amount of the last quarterly dividend prior to the Effective Time by 91. Dividends are subject to sufficient funds being legally available and to declaration by our Board.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of July 14, 2014 regarding the beneficial ownership of common stock by:

- each director;
- each named executive officer included in the 2013 Summary Compensation Table in the proxy statement we filed with the SEC on March 25, 2014; and
- all of our directors and executive officers as a group.

As of July 14, 2014, 251,504,866 shares of our common stock were outstanding. The number of shares beneficially owned by each stockholder is determined under rules promulgated by the SEC. The information does not necessarily indicate beneficial ownership for any other purpose. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares

of common stock subject to options, warrants or other convertible securities or rights held by that person that are currently exercisable or will become exercisable on or before September 12, 2014 (60 days after July 14, 2014), are deemed to be currently outstanding. These shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person.

Unless otherwise noted below:

- the address for each beneficial owner in the table below is c/o Pepco Holdings, Inc., 701 Ninth Street, N.W., Washington, D.C. 20068; and
- subject to applicable community property laws, to our knowledge, each person named in the tables below has sole voting and dispositive power over the shares shown as beneficially owned by that person.

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned ⁽¹⁾	Percentage of Common Stock Beneficially Owned
Paul M. Barbas	2,294	*
Frederick J. Boyle	1,499	*
Jack B. Dunn, IV	17,323	*
Kevin C. Fitzgerald ⁽²⁾	1,620	*
H. Russell Frisby, Jr.	2,284	*
Terence C. Golden ⁽³⁾⁽⁴⁾	44,132	*
Patrick T. Harker	13,491	*
John U. Huffman	26,252	*
Ernest L. Jenkins ⁽⁵⁾	11,706	*
Barbara J. Krumsiek	15,181	*
Lawrence C. Nussdorf ⁽⁴⁾	10,000	*
Patricia A. Oelrich	11,094	*
Joseph M. Rigby ⁽⁶⁾	279,704	0.1%
Lester P. Silverman ⁽⁷⁾	8,126	*
David M. Velazquez	70,329	*
All directors and executive officers as a group (20 persons) ⁽⁸⁾	584,559	*

* Less than 1% (with respect to a named executive officer, less than 0.1%).

(1) Except as may otherwise be indicated, the amounts in the table above include shares held through the DRP and shares allocated to a person's 401(k) plan account, but do not include the following interests in our common stock, which interests do not confer voting power or dispositive power:

- shares of common stock underlying RSU awards granted under the PHI Long-Term Incentive Plan, or LTIP, or the PHI 2012 Long-Term Incentive Plan, or 2012 LTIP, which have not vested as of July 14, 2014 and will not vest on or before September 12, 2014;
- shares of common stock underlying RSU awards granted under the LTIP or the 2012 LTIP which have vested as of July 14, 2014 or will vest on or before September 12, 2014, but the settlement of the RSU award and the receipt of common stock thereby is deferred to a date that is later than September 12, 2014; and

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- phantom shares credited to the account of a participant in one of our deferred compensation plans, from which a distribution may be received only in cash and which do not confer voting or dispositive power.
- (2) Does not include 19,190 shares underlying the vested portion of certain RSU awards, the settlement of which will not occur until the day after Mr. Fitzgerald's employment with us terminates (subject to compliance with Section 409A of the Code).
 - (3) Includes (i) 11,600 shares owned by Mr. Golden's spouse, as to which Mr. Golden disclaims beneficial ownership, and (ii) 15,532 shares owned by Mr. Golden and his spouse as tenants in common.
 - (4) Does not include 7,108 shares, with respect to each of Messrs. Golden and Nussdorf, and 3,157 shares, with respect to each of Messrs. Frisby and Harker, and Ms. Krumsiek, underlying the vested portion of RSU awards, the settlement of which has been deferred until a date specified by the director.
 - (5) Due to his retirement from PHI, information as to Mr. Jenkins has been provided as of February 28, 2014.
 - (6) Includes 2,844 shares jointly owned with Mr. Rigby's spouse. Does not include 120,498 shares underlying the vested portion of certain RSU awards, the settlement of which will not occur until the day after Mr. Rigby's employment with us terminates (subject to compliance with Section 409A of the Code).
 - (7) Includes 1,000 shares owned by Mr. Silverman's spouse. Mr. Silverman disclaims beneficial ownership of these shares.
 - (8) See all footnotes above. Includes 69,524 shares beneficially owned by executive officers not named in the table above (of which 3,768 shares are subject to time-based RSUs which will vest on or before September 12, 2014).

The following table sets forth the number and percentage of shares of common stock reported as beneficially owned as of December 31, 2013 by all persons currently known by us to own beneficially more than 5% of the common stock.

Name and Address of Beneficial Owner	Shares of Common Stock Owned	Percentage of Common Stock Outstanding
BlackRock, Inc. 40 East 52nd Street New York, NY 10022 ⁽¹⁾ State Street Corporation One Lincoln Street Boston, MA 02111 ⁽²⁾ The Vanguard Group 100 Vanguard Blvd. Malvern, PA 18355 ⁽³⁾	13,271,788	5.3%
	12,839,925	5.1%
	17,367,453	7.0%

- (1) This disclosure is based solely on information contained in a Schedule 13G/A filed with the SEC on January 30, 2014 by BlackRock, Inc., in which it reported that it had sole voting power over 10,989,924 shares of common stock and sole dispositive power over 13,271,788 shares of common stock.
- (2) This disclosure is based solely on information contained in a Schedule 13G filed with the SEC on February 4, 2014 by State Street Corporation, in which it reported that it had shared voting and shared dispositive power over 12,839,925 shares of common stock.
- (3) This disclosure is based solely on information contained in a Schedule 13G/A filed with the SEC on February 11, 2014 by The Vanguard Group, or Vanguard, in which it reported that it had: sole voting power over 681,998 shares of common stock; sole dispositive power over 16,990,837 shares of common stock; and shared dispositive power over 376,616 shares of common stock. Since January 1, 2013, we have paid Vanguard an aggregate of \$819,370 to serve as administrator of certain of its pension plans. Vanguard has reported that, as of December 31, 2013, Vanguard Fiduciary Trust Company, or VFTC, was the beneficial owner of 316,116 shares (0.1%) of common stock. VFTC, an affiliate of Vanguard, is the trustee and administrator of the 401(k) plan. Since January 1, 2013, we have paid VFTC \$25,865 to perform these services.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

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

CERTIFICATE OF SERVICE

I, hereby certify that on this 26th day of August, 2014, that the within document was filed with the Public Service Commission, via DelaFile and mailed to:

Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

I further certify, on this same date, I e-mailed a copy of the same to all of the recipients identified on the Service List. See <https://delafile.delaware.gov/Global/AdvanceSearch.aspx> (last visited August 26, 2014).

DRINKER BIDDLE & REATH LLP

/s/ Thomas P. McGonigle
Thomas P. McGonigle (I.D. No. 3162)
Joseph C. Schoell (I.D. No. 3133)
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Thomas.McGonigle@dbr.com
Joseph.Schoell@dbr.com

Dated: August 26, 2014

EXHIBIT 2

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

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

**JOINT APPLICANTS' RESPONSE IN OPPOSITION TO
INTERVENOR JEREMY FIRESTONE'S SECOND MOTION TO COMPEL**

The Joint Applicants respectfully oppose the second motion to compel discovery, filed by Intervenor Jeremy Firestone on September 5, 2014 (the "Motion"). As grounds for their opposition to the Motion, the Joint Applicants state as follows:

BACKGROUND

1. This docket concerns an application for approval of a merger of Pepco Holdings, Inc. ("PHI"), and Exelon Corporation ("Exelon"), filed June 18, 2014 (the "Application"). On July 8, 2014, the Commission designated Senior Hearing Examiner Mark Lawrence to serve as the Hearing Examiner for this matter. Order No. 8581 ¶ 2. On July 30, 2014, the Hearing Examiner allowed Mr. Firestone's intervention, and on August 5, 2014, the Hearing Examiner entered a written order formally granting Mr. Firestone's petition for intervention. Order No. 8603.

2. On July 31, 2014, Mr. Firestone served his initial data requests, including interrogatories and requests for production of documents, on the Joint Applicants. The Joint Applicants responded to Mr. Firestone's data requests on August 20, 2014. On August 21, 2014,

Mr. Firestone filed a motion to compel further responses to discovery (the “First Motion to Compel”). On August 26, 2014, the Joint Applicants filed a response in opposition to Mr. Firestone’s First Motion to Compel. On August 27, 2014, the Hearing Examiner entered Order No. 8624, substantially denying First Motion to Compel, and determining that nearly all of the Joint Applicants’ prior discovery responses were sufficient.

3. On August 29, 2014, Mr. Firestone served his follow-up discovery requests (the “Second Requests”). While Mr. Firestone’s initial requests were burdensome and argumentative, the Second Requests are even more abusive, and in many cases, pointless. The Second Requests include 77 separate requests for admission, 41 interrogatories (many with multiple subparts), along with several additional document requests. Most fundamentally, the Second Requests venture off into patently irrelevant matters and arguments, many of which were not addressed in Mr. Firestone’s initial discovery. The Second Requests also appear to be designed to engage in argument and debate rather than to elicit factual information related to the Application. To take just a few examples, Request for Admission No. 9 asks that Exelon admit that its “purpose is to run a business and provide a return to shareholders while providing a product that consumers can use”; Request for Admission No. 13 requests that Exelon admit that “Exelon is more interested in protecting the profitability of the large number of nuclear generation plants it owns than in advancing the interests of Delmarva Power ratepayers”; Request for Admission No. 50 seeks to have Exelon admit that “General Electric has a wind turbine manufacturing facility in South Carolina” ; Request No. 66 would have Exelon admit that “Nuclear power has social costs.”

4. In the interrogatories propounded in the Second Requests, Mr. Firestone seeks all manner of information related to Exelon’s power generation business and activities – activities

that are not regulated by the Commission and will not be regulated by the Commission in the event the Application is granted. *See, e.g.*, Interrogatories Nos. 4, 5, 7-16, 21, 31-32.

5. On September 3, 2014, the Joint Applicants served objections to Mr. Firestone's Second Requests. On September 4, 2014, the Joint Applicants served an amended/corrected set of objections, which corrected minor editing issues in the objections served the prior day. A copy of the amended/corrected objections (which mark the changes from the September 3 objections) is attached hereto as Exhibit A. In the interest of avoiding any later claim by Mr. Firestone that the Joint Applicants' objections should be waived because not served within seven days of the service of the Second Requests, the Joint Applicants served objections even with respect to discovery requests that they intended to answer.

6. On September 5, 2014, Mr. Firestone served his Second Motion to Compel. The Motion should be denied in its entirety. First, to the extent the Motion raises issues related to Mr. Firestone's First Motion to Compel (*see* Motion ¶¶ 8-13), those issues have already been decided by the Hearing Examiner in Order No. 8624. Second, much of the discovery propounded in Mr. Firestone's Second Requests goes well beyond "follow up" discovery and should be disallowed. Third, as explained below, with respect to his numerous requests for admission, Mr. Firestone misuses discovery procedures to attempt to inject his arguments and conclusions as to various matters of opinion. That is not a proper discovery technique and should be rejected. Finally, with respect to Mr. Firestone's further interrogatories and document requests, many of the requests are vague, overly broad and unduly burdensome, as noted in the Joint Applicants' objections.

7. Notwithstanding the objectionable nature of the requests, the Joint Applicants have endeavored to respond to many of them where they reasonably can do so. On September

12, 2014, the Joint Applicants served responses to the Second Requests, including responses to certain of the objectionable requests. Attached as Exhibit B are copies of the Joint Applicants' responses for the discovery requests that are at issue in the pending Motion.

ARGUMENT

8. The Joint Applicants generally object to the Second Requests on the grounds that they are not "follow-up" discovery permitted under the Scheduling Order. *See* Exhibit A, p. 1. The Revised Scheduling Order for this matter provides for two phases of discovery, an "Initial Phase" and a "Follow Up" phase. Order No. 8619, Exhibit A – Revised Scheduling Order ¶ 3(a)-(b). As the name suggests, "follow up" discovery should relate back to a party's initial discovery requests. Here, even applying a broad interpretation of Mr. Firestone's initial requests, it is clear that his "follow up" discovery goes well beyond the subject matters that he inquired about in his initial phase discovery. To take several examples, in his Second Requests Mr. Firestone asks about: (a) Exelon's participation in the industry group Nuclear Matters (Exhibit A, p. 3, Interrogatory No. 5); (b) a federal wind power production tax credit ("PTC") (Exhibit A, pp. 3-6, Interrogatories Nos. 7-15, and pp. 12-14, Requests for Admission Nos. 23-24, 29-31); (c) an unspecified Exelon transmission project (Exhibit A, p. 12, Requests for Admission Nos. 20-21); (d) a project known as the "Rock Island Clean Energy Line" (Exhibit A, pp. 14-15, Requests for Admission Nos. 34-37); (e) the renewable portfolio standards ("RPS") adopted in states other than Delaware and the operations of wind power companies that are unrelated to the Application or to Delaware (Exhibit A, pp. 16-18, Requests for Admission Nos. 44-51); and (f) the characteristics of nuclear power plants in France (Exhibit A, p. 18, Request for Admission No. 52). None of these subjects was addressed in Mr. Firestone's initial phase discovery requests. Such discovery is not "follow up" discovery and it is procedurally improper under the

Scheduling Order. The Hearing Examiner should disallow discovery on these new matters offered under the guise of “follow up” discovery.

9. With respect to the substance of the Second Requests, as noted in Order No. 8624, it is inappropriate to use the discovery process as a “fishing expedition,” and Mr. Firestone is not permitted to propound unduly burdensome discovery requests. Order No. 8624 ¶ 13. Further, discovery should be used to address issues of fact, not matters of opinion, conclusion or speculation. *See, e.g., Fedena v. August*, 2014 Del. Super. LEXIS 74 at *8-*9 (Del. Super. Feb. 10, 2014) (interrogatory that called for legal conclusions or opinions served no purpose and did not require an answer); *Papen v. Suburban Propane Gas Corp.*, 229 A.2d 567, 570 (Del. Super. 1967) (interrogatory calling for “conclusions and opinions” rather than facts was objectionable and need not be answered), *rev'd on other grounds*, 545 A.2d 795 (Del. 1968).

10. The principle that discovery should be directed toward disputed facts applies with special force to requests for admission, which may only be utilized to elicit an admission or denial of “disputable facts.” *See generally* Wright & Miller, Federal Practice & Procedure § 2256. “Requests for admission ‘should not be used to establish the ultimate facts in issue or to demand that the other party admit the truth of a legal conclusion.’” *Bryant v. Bayhealth Medical Center, Inc.*, 937 A.2d 118, 126 (Del. 2007) (internal citations omitted). Each request for admission must be “direct, simple and limited to singular relevant facts so that it can be admitted or denied without explanation.” Wright & Miller, Federal Practice & Procedure § 2258 (citing *Herrera v. Scully*, 143 F.R.D. 545, 546 (S.D.N.Y. 1992)). In this case, the vast majority of Mr. Firestone’s 77 requests for admission go to issues of opinion, conjecture or speculation, rather than to issues of disputable fact which the Joint Applicants could fairly be asked to admit or deny. Accordingly, they are improper on their face.

11. With respect to Requests for Admission Nos. 1 through 3, Mr. Firestone contends in his Motion that the Joint Applicants may not object to his discovery because they have used certain terms referred to in the discovery in public statements. Motion, pp. 13-14. Mr. Firestone provides no support for that proposition. To the extent Mr. Firestone wishes to rely on and make arguments based on the public statements or comments by Exelon or its representatives, requests for admission are unnecessary and improper. It is not proper to use requests for admission to establish matters that are public record. *See, e.g., Fusco v. Dauphin*, 75 A.2d 701, 702 (Del. 1950). Additionally, whether there is an “overbuild of wind power capacity” is inherently an issue of opinion, not fact. Similarly, the terms “market based” and “subsidies” as used in Requests for Admission Nos. 2 and 3, are vague and lack context. Nevertheless, without waiver of their objections, the Joint Applicants have provided responses to Requests for Admission No. 2 and 3. Exhibit B, pp. 2-3.

12. In Requests for Admission Nos. 5 through 8, Mr. Firestone seeks to have Exelon admit that RPS laws are “subsidies” and “non-market based approaches,” that “RPS laws are a down payment toward a sound climate policy,” and that “RPS is within the State of Delaware’s right.” Motion, pp. 14-15. These requests are so vague and open-ended that Exelon cannot reasonably be asked to admit or deny them. Nevertheless, the Joint Applicants have attempted to respond to Requests for Admission Nos. 5 and 6. Exhibit B, pp. 4-5.

13. Requests for Admission Nos. 9 through 12 make very general statements about Exelon’s “purpose” and how Exelon “makes decisions” with respect to RPS matters. Again, Mr. Firestone’s requests are so vague and open-ended that categorical admission or denial is not reasonably possible. Notwithstanding their objections to these requests, the Joint Applicants have responded to Requests for Admission Nos. 9 through 12. Exhibit B, pp. 8-11.

14. Requests for Admission Nos. 14 and 15 similarly ask that Exelon admit or deny whether “RPS is a non-market based approach” and whether “Delaware RPS plays favorites.” Like virtually all of Mr. Firestone’s requests for admission, these requests do not lend themselves to a categorical admission or denial, so the Joint Applicants have objected, even though they have attempted to answer notwithstanding their objections. Exhibit B, pp. 12-13.

15. Requests for Admission Nos. 20 and 21 seek to have Exelon admit or deny that Exelon is “considering seeking regulatory approval of a transmission line that would require ratepayers to finance that transmission line through higher electric bills” and that the unspecified transmission line is a “non-market transmission project.” Motion, p. 17. The request does not specify the factual matter it purports to ask about and the Joint Applicants cannot reasonably respond. It would be improper to require the Joint Applicants to essentially guess at what “transmission line” or “project” Mr. Firestone refers to.

16. Mr. Firestone’s Requests for Admission Nos. 23 through 31 request that Exelon admit or deny various conditions or circumstances that Mr. Firestone asserts to be impacts related to the federal PTC for wind power. Motion, pp. 18-20. In essence, Mr. Firestone asks Exelon to speculate concerning what impacts the PTC has had, what impacts it will have in the future, what the “law of supply and demand” will provide for in some unspecified instance, and what effect all of that conjecture will have on Delmarva Power ratepayers. These issues simply do not involve matters of fact, but matters of conjecture concerning cause and effect and expectations concerning an uncertain future. They are not subject to being admitted or denied. There are countless variables that can affect the development and deployment of wind power technology, and Mr. Firestone’s effort to have Exelon admit “if x then y; and if y, then z” is improper and an abuse of the discovery process.

17. Requests for Admission Nos. 32 and 33 seek to have Exelon admit that “benefits of electricity from renewable energy resources accrue to the public at large” and that “electric suppliers and consumers share an obligation to develop renewable energy resources in the electricity supply portfolio of the State of Delaware.” Motion, pp. 20-21. As noted in the Joint Applicants’ responses to these requests, they refer to the broad and aspirational statements in the Delaware RPS legislation – they do not raise discrete issues of disputable fact that Exelon can admit or deny. Exhibit B, pp. 25-26.

18. Requests for Admission Nos. 34 through 37 request information related to a project known as “Rock Island Clean Energy Line” that is proposed in Illinois and Iowa. Motion, pp. 21-23. Much like his approach with the wind power PTC, Mr. Firestone tries to advance a series of propositions – each of which would require Exelon to engage in speculation and conjecture about cause and effect of particular policies or developments in complicated energy markets – in order to reach Mr. Firestone’s assumed conclusion. These requests do not relate to factual matters that can be admitted or denied, and the discovery therefore is improper.

19. Requests for Admission Nos. 39 and 40 seek to have Exelon admit that reduction in electricity demand reduces market prices and that energy efficiency “is not in the best interests of Exelon’s stockholders.” Motion, pp. 23-24. These requests are completely vague; however, Exelon has attempted to provide a response to each request to the best of its ability. Exhibit B, pp. 31-32.

20. Request for Admission No. 42 seeks an admission by Exelon that “new wind power capacity” constructed in “western PJM” will displace fossil fuel generation “upwind of Delaware.” Motion, p. 24. The request on its face is open-ended and vague, and calls for speculation. It does not seek discovery related to an issue of fact.

21. Request for Admission No. 44 seeks to have Exelon admit that the wind power PTC “has benefitted states beyond those that have mandatory RPS.” Motion, p. 25. The request is completely vague as to what Mr. Firestone means by a “benefit,” and it also would require Exelon to develop an analysis of all different jurisdictions (presumably 50) to consider which states do not have a mandatory RPS policy and whether and how each such state has “benefitted” from the wind power PTC. The request is plainly vague and overbroad and unduly burdensome, and seeks irrelevant information.

22. Requests for Admission Nos. 45 and 46 seek admissions related to the installed wind power in states not having a mandatory RPS. Motion, p. 25. Although Exelon has responded that it has not conducted an analysis of the installed wind power assets in jurisdictions without mandatory RPS requirements, the Joint Applicants properly objected to the requests on the grounds that they are irrelevant and call for information beyond the Joint Applicants’ knowledge. Exhibit B, pp. 37-38. These objections are proper.

23. Requests for Admission Nos. 47 through 51 seek information about companies and wind power operations unrelated to the Joint Applicants, asking that Exelon admit that “Siemens Wind Power is headquartered in Florida,” that “Next Era Energy Resources is headquartered in Florida,” and that “General Electric has a wind turbine manufacturing facility in South Carolina.” Motion, p. 26. The headquarters and operations of these other entities – which neither relate to the Joint Applicants nor involve the pending Application in any way – are plainly irrelevant to this proceeding and the Joint Applicants’ relevance objections are proper.

24. In Requests for Admission Nos. 52, 66, 67 and 68, Mr. Firestone inquires about nuclear power generation. Motion, pp. 27-28. Given that Request for Admission No. 52 asks about nuclear power plants in France, the Joint Applicants have objected on the grounds of

relevance. Request for Admission No. 66 requests that Exelon admit that “Nuclear power has social costs.” The request is vague and ambiguous. As acknowledged in Exelon’s response, all power generation has public impacts. Exhibit B, p. 45. Request No. 67 requests that Exelon admit that it “does not pay fair market value for water for the majority of its thermal generation plants, including nuclear.” Exelon objects that the term “fair market value for water” is vague and ambiguous. In his Motion, Mr. Firestone counters that because the term “fair market value” has over 1.3 million Google hits, it must not be ambiguous. Motion, p. 27. That supposition is unfounded; one reason that the term is frequently discussed on the Internet (and elsewhere) is that people frequently have strong disagreements as to what “fair market value” means as applied in particular factual circumstances. Exelon cannot admit or deny an issue of “fair market value for water” related to all of its generation resources because the term is vague. Request for Admission No. 68 asks that Exelon admit that “The operation of Exelon’s thermal generation plants results in the entrainment and impingement of fish and fish larvae.” Exelon properly asserted a relevance objection to this request. However, in the Joint Applicants’ responses, Exelon admits that thermal generation plants can have some impacts on fish (just as any other form of power generation can have environmental impacts). Exhibit B, p. 47.

25. In Request for Admission No. 73, Mr. Firestone asks Exelon to admit that “A purpose of the proposed all-cash transaction was to be able to exert greater influence on renewable energy policies in states within PJM.” Motion, p. 28. The request is argumentative. Without waiver of their objections, the Joint Applicants have denied the request for admission. Exhibit B, p. 50. The purposes of the merger are addressed in the Application and in the Proxy Statement related to the merger. Exerting influence on renewable energy policy in various states is not among the purposes of the merger.

26. In Interrogatories Nos. 1 and 2, Mr. Firestone seeks a comprehensive accounting of the Joint Applicants' efforts to respond to his numerous requests for admission. Motion, pp. 28-29. Given the vast overbreadth of the requests themselves, and the objectionable nature of most of them as summarized above, it would be improper and completely burdensome to compel the Joint Applicants to catalogue how they determined to answer them. As the Joint Applicants' responses to the Second Requests make clear, the Joint Applicants have attempted to reasonably respond to requests for admission where the request itself raises a factual issue that can be admitted or denied. They are required to do no more.

27. Interrogatory No. 4 requests that Exelon provide information related to its wind generation assets. Motion, pp. 29-30. The Joint Applicants have objected to the request on the grounds of relevance and undue burden as Exelon's generation assets are not regulated by the Commission (and will not be in the event the Application is approved). Nevertheless, the Joint Applicants have provided a substantive answer to Interrogatory No. 4. Exhibit B, p. 57.

28. In Interrogatory No. 5, Mr. Firestone inquires about Exelon's relationship with Nuclear Matters, an industry organization. Motion, p. 30. Exelon's participation in industry groups related to Exelon's generation assets is not relevant to this proceeding. Nevertheless, and reserving its objections, Exelon has provided a substantive answer to Interrogatory No. 5. Exhibit B, p. 58.

29. Interrogatories Nos. 7 through 17 seek information concerning the consideration of wind power, the wind PTC, state RPS laws, and other issues as part of the consideration of the merger and the merger integration process. Motion, pp. 31-35. Although the Joint Applicants objected to the requests to the extent they sought the disclosure of privileged information, they

now have provided responses to each of the Interrogatories and their responses are sufficient. Exhibit B, pp. 59-69.

30. In Interrogatory No. 21, Mr. Firestone asks that Exelon identify the percentage generation for various types of energy. Motion, pp. 35-36. The Joint Applicants objected to the request as irrelevant and beyond the scope of this docket. However, Exelon has supplied the requested information in its responses. Exhibit B, p. 71.

31. Interrogatories Nos. 30 and 31 seek information related to Exelon's use of the wind power PTC. Motion, pp. 36-37. The Joint Applicants have objected that the interrogatory is unduly burdensome, overly broad, and inquires into irrelevant matters. While preserving their objections, the Joint Applicants have responded to these interrogatories and their answers are sufficient. Exhibit B, pp. 72-74.

32. Interrogatory No. 32 seeks information concerning the U.S. Environmental Protection Agency's proposed "Clean Power Plant rule." Motion, pp. 37-38. The Joint Applicants object to the interrogatory on the ground that it is burdensome, and seeks irrelevant information. While reserving their objections, the Joint Applicants have provided a substantive response to Interrogatory No. 32. Exhibit B, p. 75.

33. In Interrogatory No. 35, Mr. Firestone asks if the Joint Applicants contend that they "did not need to submit the change in control of PHI to the jurisdiction of the Commission." Motion, p. 38. The interrogatory is objectionable as calling for a legal conclusion. More fundamentally, the interrogatory is ridiculous. Having filed the Application and submitted it to the jurisdiction of the Commission, it is obvious to anyone (except perhaps Mr. Firestone) that the Joint Applicants acknowledge the authority of the Commission to consider and approve the

proposed change in control under 26 Del. C. §§ 215 and 1016. Despite the question's silliness, the Joint Applicants have answered. Exhibit B, p. 77.

34. In Interrogatory No. 41, Mr. Firestone seeks the identification of all persons who participated or assisted in responding to the Mr. Firestone's Second Requests. Particularly given the overbreadth of the discovery requests themselves, this interrogatory is improper in the circumstances. It is also inconsistent with the practice for identifying witnesses in this proceeding. As the Hearing Examiner previously found with respect to a nearly identical response to Mr. Firestone's first discovery requests, the Joint Applicants should not be required to identify all persons who have assisted in developing any discovery response. Instead, the Hearing Examiner will direct the parties to develop a witness list in advance of the final hearings. Order No. 8624 ¶ 21.

35. Finally, in Document Request No. 1, Mr. Firestone seeks all documents that relate to his interrogatories. In light of the overbroad and overreaching discovery this request incorporates, Document Request No. 1 is improper. Where the Joint Applicants have documents that relate to factual matters properly inquired about in Mr. Firestone's discovery requests, they have made such documents available to Mr. Firestone.

CONCLUSION

For the reasons stated above, the Joint Applicants respectfully request that Mr. Firestone's Second Motion to Compel be denied in its entirety.

DRINKER BIDDLE & REATH LLP

/s/ Joseph C. Schoell

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Counsel for Joint Applicants

September 15, 2014

EXHIBIT A

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

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY,)
EXELON CORORPATION, PEPCO HOLDINGS) PSC DOCKET NO. 14-193
INC., PURPLE ACQUISITION CORPORATION,)
EXELON 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))

**JOINT APPLICANTS' CORRECTED/AMENDED OBJECTIONS TO
INTERVENOR JEREMY FIRESTONE'S FOLLOW-UP
REQUESTS FOR ADMISSION, INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS**

Corrections to the objections are reflected in red underlined and ~~strike through~~ text below.

General Objection: The Joint Applicants object to the alleged follow-up discovery by intervener Firestone in general on grounds that it does not constitute follow-up discovery and, therefore, violates the Scheduling Order and is overly broad and unduly burdensome. Both the objections below and any subsequent responses provided are made without waiver of this or any other objection.

These objections are filed in order to comply with the initial Scheduling Order. As noted below, although objections are provided, in many cases the Joint Applicants intend to – and in all cases they reserve the right to – provide responses when due and to supplement thereafter. By providing these objections, Joint Applicants do not waive their right to move to quash some or all of this discovery on grounds, including but not limited to:

- a. That it does not constitute follow up discovery as required by the Scheduling Order,
- b. That it is overly broad and unduly burdensome,
- c. That it is outside the scope of the limited intervention granted to intervener Firestone.

INTERROGATORIES

1. With respect to every request for admission which you denied in whole or in part:

(a) State the facts that form the basis of your denial.

(b) Identify each person, including natural person, with knowledge of the facts that form the basis of your denial.

(c) Identify any documents that you contend support your denial.

(d) Identify any documents that may tend to undermine support for your denial.

Objections: (b) Overly broad, unduly burdensome.

(c) Overly broad, unduly burdensome, involves documents that would be overly cumulative, work product doctrine and attorney-client privilege.

(d) Overly broad, unduly burdensome, involves documents that would be overly cumulative, work product doctrine and attorney-client privilege.

2. With respect to every request for admission that you give lack of information or knowledge as a reason for failure to admit or deny:

(a) Identify each person, including natural person, with knowledge related to the request for admission.

(b) Identify any documents related to the request for admission.

Objections: (a) Overly broad, unduly burdensome, irrelevant.

(b) Overly broad, unduly burdensome, vague and ambiguous, involves documents that would be overly cumulative, work product doctrine and attorney-client privilege.

4. Of the total MWs of wind generation owned by Exelon, how many MW are at wind project that was commissioned prior to Exelon's ownership and how many MW are at a wind project that was commissioned during Exelon's ownership.

Objection: Overly broad, unduly burdensome and irrelevant to the matters before the Delaware Commission. Generation and wholesale power issues are subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") and other regulatory agencies and entities. While RPS compliance matters are within the jurisdiction of the Delaware Commission, the details requested in this interrogatory are irrelevant to RPS compliance by Delmarva Power, irrelevant to the matters before the Delaware Commission in this docket, outside the jurisdiction of the Commission, and are overly broad and unduly burdensome. Without waiving any objection, the Joint Applicants will provide wind generation portfolio information, but that information may not be in the exact manner requested herein.

5. Please explain in detail the relationship between Exelon and Nuclear Matters, including any role Exelon played in setting up Nuclear Matters, the extent of funding and control Exelon exercises over Nuclear Matters, and why Exelon uses Nuclear Matters to advance nuclear power policy rather than or in addition to advancing nuclear power itself.

Objection: Overly broad, unduly burdensome and irrelevant to the matters before the Delaware Commission. Generation and wholesale power issues are subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") and other regulatory agencies and entities. The details requested in this interrogatory are irrelevant to the matters before the Delaware Commission in this docket, outside the jurisdiction of the Commission, and are overly broad and unduly burdensome. Without waiving any objection, the Joint Applicants will provide wind generation portfolio information, but may not in the exact manner requested herein.

7. Please identify and provide a detailed description of any communications or conversations Exelon has had with Pepco during the course of the merger discussions regarding wind power, the wind PTC or RPS laws.

Objection: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

8. Please identify and provide a detailed description of any communications or conversations or information relied on by Exelon's Board of Directors in consideration of the merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.

Objection: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

9. Please identify and provide a detailed description of any communications or conversations or information relied on by Pepco's Board of Directors in consideration of the merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.

Objection: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

10. Please identify and provide a detailed description of any communications, including studies, that were not included in materials distributed to Exelon's Board of Directors, but were developed or occurred in support of presentations made, and provided to Senior Management on the merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.

Objection: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

11. Please identify and provide a detailed description of any communications, including studies, that were not included in materials distributed to Pepco's Board of Directors, but were developed or occurred in support of presentations made, and provided to Senior

Management on the merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.

Objection: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

12. Did the Pepco Board of Trustees take into account in any manner Exelon's positions on any of the following when considering whether to merge with Exelon?:

- a. The wind PTC
- b. State RPS laws
- c. Transmission of clean energy
- d. The relationship between wind energy and the profitability of Exelon's nuclear power plants.

Objection: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

13. If Pepco's Board of Trustees did take into account in any manner Exelon's positions on the wind PTC, State RPS law, transmission of clean energy or the relationship between wind energy and the profitability of Exelon's nuclear power plants, please identify in detail and explain how and when.

Objection: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

14. Did Pepco's Board of Trustees take into account, consider and/or determine that the merger would be fair to and in the best interests of ratepayers/customers?

- a. If the answer is a qualified or unqualified “Yes,” identify in detail and explain how and when it took such fairness and interests into account.
- b. If the answer is anything other than an unqualified “Yes,” identify in detail and explain why not.

Objection: To the extent this request involves communications protected by the attorney/client privilege.

15. Please identify and provide a detailed description of any communications, including studies, that have occurred as part of the merger integration, including those of the merger integration team, related to wind power, the wind PTC, or state RPS laws.

Objection: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

16. Please identify and provide a detailed description of any communications, including studies, that have occurred as part of the merger integration, including those of the merger integration team, related to Exelon’s generation assets, including, but not limited to its, nuclear power plants.

Objection: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

17. Please identify and provide a detailed description and explain how, if at all, the merger integration team has taken into account customer/ratepayers interests in renewable energy in its integration decisions.

Objection: To the extent this request involves communications protected by the attorney/client privilege.

21. For each of the following, Exelon identify the percentage generation in MWh/year for each of the past five years of Exelon-owned generation assets

- a. Nuclear
- b. Natural gas
- c. Coal
- d. Oil
- e. Hydropower
- f. Wind
- g. Solar
- h. Landfill gas
- i. Other

Objection: Overly broad, unduly burdensome and irrelevant to the matters before the Delaware Commission. Generation is subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”) and other regulatory agencies and entities. While RPS compliance matters are within the jurisdiction of the Delaware Commission, the exact percentage of generation owned by any subsidiaries of Exelon is irrelevant to RPS compliance by Delmarva Power, irrelevant to the matters before the Delaware Commission in this docket, outside the jurisdiction of the Commission, and would be overly broad and unduly burdensome. Without waiving any objection, the Joint Applicants will provide generation portfolio information, but it may not be in the exact manner requested herein.

30. Please identify the total amount of tax credits that Exelon has claimed as a result of the wind PTC:

- a. Since its inception
- b. Since it began opposing the wind PTC.

Objection: Overly broad, unduly burdensome and irrelevant to the matters before the Delaware Commission. Generation and wholesale power issues are subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”) and other regulatory entities and Federal taxation matters are subject to the jurisdiction of the Internal Revenue Service. While RPS compliance matters are within the jurisdiction of the Delaware Commission, the details requested in this interrogatory are irrelevant to RPS compliance by Delmarva Power, irrelevant to the matters before the Delaware Commission in this docket, outside the

jurisdiction of the Commission, and would be overly broad and unduly burdensome.

31. Please identify the total amount of tax credits that Exelon estimates it will be able to claim as a result of the wind PTC in the future based on:

- a. Existing wind projects
- b. Wind projects under development

Objection: Overly broad, unduly burdensome and irrelevant to the matters before the Delaware Commission. Generation and wholesale power issues are subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”) and other regulatory entities and Federal taxation matters are subject to the jurisdiction of the Internal Revenue Service. While RPS compliance matters are within the jurisdiction of the Delaware Commission, the details requested in this interrogatory are irrelevant to RPS compliance by Delmarva Power, irrelevant to the matters before the Delaware Commission in this docket, outside the jurisdiction of the Commission, and would be overly broad and unduly burdensome.

32. Has Exelon had any meetings or communications with US EPA regarding the proposed Clean Power Plant rule? If so, please identify and provide a detailed description of those communications, including any communication regarding structuring the final rule to protect the profitability of Exelon’s nuclear power plant assets.

Objection: Overly broad, unduly burdensome and irrelevant to the matters before the Delaware Commission. Generation and wholesale power issues are subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”) and other regulatory entities and matters regulated by the EPA are subject to its jurisdiction. While RPS compliance matters are within the jurisdiction of the Delaware Commission, the details requested in this interrogatory are irrelevant to RPS compliance by Delmarva Power, irrelevant to the matters before the Delaware Commission in this docket, outside the jurisdiction of the Commission, and would be overly broad and unduly burdensome. The details requested in this interrogatory are confidential.

35. With regard to the direct testimony of Dr. Tierney, p. 7, do you contend that Exelon and PHI did not need to submit the change in control of PHI to the jurisdiction of the Commission?

- a. If the answer is anything other than an unqualified “No,” explain the basis for the response.
- b. If the answer is anything other than an unqualified “No,” quantify the benefit to Delmarva Power & Light customers.

Objection: Calls for a legal conclusion. The requirements of the Delaware Code with respect to approval of a change in control of regulated utilities speak for themselves.

41. Identify each person, including natural person, who in a material way participated in, supplied information to, or assisted the person verifying the answers to or signing the answers to admissions, answers to the interrogatories and requests for production of documents, including those person(s) who have provided information for such answers and those persons who are sponsoring an answer, stating with specificity the answer(s) involved.

Objection: Overly broad, unduly burdensome and seeks information that is irrelevant.

REQUESTS FOR PRODUCTION

1. Produce all documents related to a response to the interrogatory requests.

Objection: Overly broad, unduly burdensome, seeks information that is irrelevant, vague and ambiguous and fails to identify with reasonable particularity the category of information requested.

REQUESTS FOR ADMISSION

1. There has been an overbuild of wind power capacity.

Answer: The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase “~~market-based~~ overbuild” because that phrase is not defined.

2. Exelon advocates for market-based approaches to electricity generation.

Answer: The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase “market based” because that phrase is not defined. Without waiving any objection, the Joint Applicants will provide a further response when due.

3. Exelon opposes subsidies for land-based wind power.

Answer: The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the term “subsidies” because that term is not defined. Without waiving any objection, the Joint Applicants will provide a further response when due.

5. State RPS laws are subsidies.

Answer: See response to 3 above.

6. State RPS laws are non-market based approaches

Answer: See response to 2 above.

7. RPS laws are a down payment toward a sound climate policy.

Answer: The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrases: “down payment” and “sound climate policy,” as neither are defined. As such the Joint Applicants can neither admit nor deny.

8. Delaware’s RPS is within the State of Delaware’s right.

Answer: The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase: “within the State of Delaware’s right” and, to the extent the Joint Applicants understand this request, calls for a legal conclusion. As such the Joint Applicants can neither admit nor deny.

9. Exelon’s purpose is to run a business and provide a return to shareholders while providing a product that consumers can use.

Answer: The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrases “purpose is to run a business” and “product that consumers can use” and, to the extent the Joint Applicants understand this request, it appears to call for a legal conclusion as to whether transmission, delivery, energy and the other services that Exelon utilities provide are “products” within the meaning of the law. As such the Joint Applicants can neither admit nor deny.

10. Exelon makes decisions to support or oppose modifications to RPS laws based on its private, commercial interests.

Answer: The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase “private commercial interests” as that phrase and the terms therein are not defined. Without waving any objection, the Joint Applicants will provide a further response when due.

11. RPS laws present a market and financial risk to Exelon.

Answer: The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase “present a market and financial risk...” Without waving any objection, the Joint Applicants will provide a further response when due.

12. Exelon makes decisions to support or oppose modifications to RPS laws based on its fiduciary obligations to shareholders.

Answer: The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase “fiduciary obligations to shareholders” and to the extent it calls for a legal conclusion as to the obligations owed to shareholders. Without waving any objection, the Joint Applicants will provide a further response when due.

14. RPS is a non-market based approach.

Answer: See response to 2, above.

15. Delaware RPS plays favorites.

Answer: The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase “plays favorites” and in that it is argumentative. As such the Joint Applicants can neither admit nor deny.

20. Exelon is considering seeking regulatory approval of a transmission line that would require regulators to force ratepayers to finance that transmission line through higher electric bills.

Answer: The Joint Applicants object to this data request on grounds that it is argumentative, accusatory, vague and ambiguous in that it does not identify the “transmission line” or the “regulators” involved and is, in general, too lacking in basic information to enable the Joint Applicants to respond. As such the Joint Applicants can neither admit nor deny.

21. Exelon’s transmission project is a non-market transmission project.

Answer: The Joint Applicants object to this data request on grounds that it is vague and ambiguous in that it does not identify the “transmission line” and does not define the phrase “non-market transmission project.” As such the Joint Applicants can neither admit nor deny.

23. The PTC has resulted in more wind power capacity being installed than if the PTC was never adopted.

Answer: Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what would have occurred if the PTC had not been adopted. As such the Joint Applicants can neither admit nor deny.

24. Renewing the PTC will result in more wind power capacity being installed than if the PTC is not renewed.

Answer: Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what will occur if the PTC is not renewed. As such the Joint Applicants can neither admit nor deny.

26. The law of supply and demand means that if less wind power capacity is installed the price of electricity to consumers will be greater.

Answer: Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what will happen to the price of electricity if less wind power capacity is installed. As such the Joint Applicants can neither admit nor deny.

27. If less wind power capacity is built, the law of supply and demand means that the price of RECs will increase.

Answer: Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what will happen to the price of RECs if less wind power capacity is installed. As such the Joint Applicants can neither admit nor deny.

28. If less wind power capacity is built, there is an increased likelihood that the REC price cap under Delaware law will be exceeded.

Answer: Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know whether the REC price cap will be exceeded if less wind power capacity is installed. As such the Joint Applicants can neither admit nor deny.

29. If Exelon's position on the PTC prevails, Delmarva Power ratepayers will have to pay more to meet the REC obligation embodied in Delaware State Law than if it does not prevail.

Answer: Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what effect, if any, non-renewal of the PTC will have upon the cost of Delaware RPS compliance. As such the Joint Applicants can neither admit nor deny.

30. If Exelon's position on the PTC prevails, there is an increased likelihood that the REC price cap under Delaware law will be exceeded.

Answer: Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what effect, if any, non-renewal of the PTC will have upon

whether the REC price cap will be exceeded. As such the Joint Applicants can neither admit nor deny.

31. If Exelon's position on the PTC prevails, Delmarva Power ratepayers will have to pay more for electricity.

Answer: Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what happens to the price of electricity if the PTC is not renewed for wind. As such the Joint Applicants can neither admit nor deny.

32. The benefits of electricity from renewable energy resources accrue to the public at large.

Answer: The Joint Applicants object to this request on grounds that it calls for a legal conclusion. This request for admission is a direct quote from the "Renewable Energy Portfolio Standards Act," 26 Del.C. § 351 (b) which provides: "the benefits of electricity from renewable energy resources accrue to the public at large..." Without waiving any objection, the Joint Applicants will provide a further response when due.

33. Electric suppliers and consumers share an obligation to develop renewable energy resources in the electricity supply portfolio of the state of Delaware.

Answer: The Joint Applicants object to this request on grounds that it calls for a legal conclusion. This request for admission is a direct quote from the "Renewable Energy Portfolio Standards Act," 26 Del.C. § 351 (b) which provides: "electric suppliers and consumers share an obligation to develop a minimum level of these resources in the electricity supply portfolio of the state." Without waiving any objection, the Joint Applicants will provide a further response when due.

34. If the Rock Island Clean Energy Line is built, wind power will cost less in PJM than if it were not built.

Answer: Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase "wind power" in that the phrase has not been defined, that it is irrelevant to the issues before the Commission in this proceeding, and that it calls for speculation. It is not possible to know what effect, if any, construction of the

Rock Island Energy Line will have on the end price of “wind power” in PJM. As such the Joint Applicants can neither admit nor deny.

35. If the Rock Island Clean Energy Line is built, Delmarva Power ratepayers will have to pay less to meet the REC obligation embodied in Delaware State Law.

Answer: Joint Applicants object to this request on grounds that it calls for speculation and that it is irrelevant to the issues before the Commission in this proceeding. It is not possible to know at this time what effect, if any, construction of the Rock Island Energy Line will have on the cost to achieve RPS compliance in Delaware. As such the Joint Applicants can neither admit nor deny.

36. If the Rock Island Clean Energy line is built, there will be less coal generation in western PJM.

Answer: Joint Applicants object to this request on grounds that it calls for speculation and that it is irrelevant to the issues before the Commission in this proceeding. It is not possible to know at this time what effect, if any, construction of the Rock Island Energy Line will have on the amount of coal generation in PJM. As such the Joint Applicants can neither admit nor deny.

37. If the Rock Island Clean Energy line is built, there will be less coal generation upwind of Delaware.

Answer: Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase “upwind of Delaware” and in that it calls for speculation. It is not possible to know at this time what effect, if any, construction of the Rock Island Energy Line will have on the amount of coal generation in PJM. As such the Joint Applicants can neither admit nor deny.

39. A reduction in demand for electricity reduces market prices for electricity, all other things being equal.

Answer: Joint Applicants object to this request on grounds that it calls for speculation. Without waiving any objection, the Joint Applicants will provide a further response when due.

40. Energy efficiency is not in the best interest of Exelon's shareholders.

Answer: Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase "in the best interest of Exelon's shareholders" and in that it calls for speculation. Without waiving any objection, the Joint Applicants will provide a further response when due.

42. When new wind power capacity is constructed in western PJM and wind power is subsequently generated, some of the fossil fuel generation displaced is upwind of Delaware.

Answer: Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase "upwind of Delaware" and in that it calls for speculation. As such the Joint Applicants can neither admit nor deny.

43. When new wind power capacity is constructed in western PJM and wind power is subsequently generated, there are air quality benefits for Delaware.

Answer: Joint Applicants object to this request on grounds that it is vague and ambiguous in that it does not identify: (a) the amount of "wind power capacity," (b) the amount of wind generation or the length of time that the generation occurs, (c) whether any other resource is displaced as a result of the wind generation and if so, (d) where that resource is, (e) what the displaced resource is and (f) for how long it is displaced. As such the Joint Applicants can neither admit nor deny.

44. The PTC has benefitted states beyond those that have mandatory RPS.

Answer: Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase "has benefitted states" in that it does not identify what the "benefits" are and in that it calls for speculation. As such the Joint Applicants can neither admit nor deny.

45. More than 10,000MW of installed capacity of wind power are in the eight states and two territories that have a voluntary RPS.

Answer: The Joint Applicants object to this request on grounds of relevance and to the extent the Joint Applicants are without information and knowledge necessary to admit or deny.

46. More than 3000MW of installed capacity of wind power in the states without voluntary or mandatory RPS.

Answer: See response to 45 above.

47. Siemens Wind Power is headquartered in Florida.

Answer: The Joint Applicants object to this request of grounds of relevance and to the extent the Joint Applicants are without sufficient knowledge or information necessary to admit or deny this request.

48. Next Era Energy Resources is headquartered in Florida.

Answer: The Joint Applicants object to this request of grounds of relevance.

49. General Electric has a wind turbine manufacturing facility in South Carolina.

Answer: The Joint Applicants object to this request of grounds of relevance.

50. The large wind turbine drivetrain testing facility is in South Carolina.

Answer: The Joint Applicants object to this request of grounds of relevance and on grounds that it is vague and ambiguous in that it does not identify who owns or operates “the large wind turbine drive train testing facility in South Carolina.” As such the Joint Applicants can neither admit nor deny.

51. Neither Florida nor South Carolina has an RPS law.

Answer: The Joint Applicants object to this request of grounds of relevance and that it would require the Joint Applicants to engage in legal research on behalf of this intervener and to make a legal conclusion concerning the laws of other states.

52. Many nuclear plants in France are load-following.

Answer: The Joint Applicants object to this request of grounds of relevance.

66. Nuclear power has social costs.

Answer: Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase: “social costs” as that phrase is not defined. Without waiving any objection, the Joint Applicants will provide a further response when due.

67. Exelon does not pay the fair market value for water for the majority of its thermal generation plants, including nuclear.

Answer: Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase: “fair market share,” is argumentative and lacks relevancy to the matters before the Commission in this docket.

68. The operation of Exelon’s thermal generation plants results in the entrainment and impingement of fish and fish larvae.

Answer: The Joint Applicants object to this request of grounds of relevance.

73. A purpose of the proposed all-cash transaction for PHI was to be able to exert greater influence on renewable energy policies in states within PJM.

Answer: The Joint Applicants object to this request on grounds that it is argumentative and accusatory. Without waiving any objection, the Joint Applicants will provide a further response when due.

EXHIBIT B

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 1**

1. There has been an overbuild of wind power capacity.

RESPONSE:

A.

The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase “overbuild” because that phrase is not defined. Accordingly, Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 2**

2. Exelon advocates for market-based approaches to electricity generation

RESPONSE:

A.

The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase “market based” because that phrase is not defined. Without waiving any objection, admitted.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 3**

3. Exelon opposes subsidies for land-based wind power.

RESPONSE:

A.

The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the term “subsidies” because that term is not defined. Without waiving any objection, the Joint Applicants respond as follows: Admit in part and deny in part. Exelon opposes the extension of the Federal PTC for land-based wind.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 5**

5. State RPS laws are subsidies.

RESPONSE:

A.

See response to Firestone Set 2 RFA 3. Without waiving any objection, the Joint Applicants respond as follows: Admit that to the extent that the term “subsidies” as used here means above market payments, such state RPS laws could provide subsidies.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 6**

6. State RPS laws are non-market based approaches.

RESPONSE:

A.

See response to Firestone Set 2 RFA 2. Without waiving any objection, the Joint Applicants state as follows: Admit in part and deny in part. Admit in part that state RPS laws can lead to above market payment. Deny in part because procurement of RECs are a market based function.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 7**

7. RPS laws are a down payment toward a sound climate policy

RESPONSE:

A.

The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrases: “down payment” and “sound climate policy,” as neither are defined. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 8**

8. Delaware's RPS is within the State of Delaware's right.

RESPONSE:

A.

The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase: "within the State of Delaware's right" and, to the extent the Joint Applicants understand this request, calls for a legal conclusion. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 9**

9. Exelon’s purpose is to run a business and provide a return to shareholders while providing a product that consumers can use.

RESPONSE:

A.

The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrases “purpose is to run a business” and “product that consumers can use” and, to the extent the Joint Applicants understand this request, it appears to call for a legal conclusion as to whether transmission, delivery, energy and the other services that Exelon utilities provide are “products” within the meaning of the law. As such the Joint Applicants can neither admit nor deny. Without waiving any objection, the Joint Applicants state as follows: Exelon runs a business and provides a return to shareholders while providing energy and services that consumers can use, but this is not the way that Exelon expresses its purpose. Exelon’s mission is to be the leading diversified energy company – by providing reliable, clean, affordable and innovative energy products.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 10**

10. Exelon makes decisions to support or oppose modifications to RPS laws based on its private, commercial interests.

RESPONSE:

A.

The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase “private commercial interests” as that phrase and the terms therein are not defined. Without waving any objection, the Joint Applicants respond as follows: Admit in part, Exelon also makes decisions based on, among other things, the customer and public impacts of those proposed modifications.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 11**

11. RPS laws present a market and financial risk to Exelon.

RESPONSE:

A.

The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase “present a market and financial risk...” Without waving any objection, the Joint Applicants respond as follows: Denied as stated. Admit only that RPS laws impact markets in which Exelon operates.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 12**

12. Exelon makes decisions to support or oppose modifications to RPS laws based on its fiduciary obligations to shareholders.

RESPONSE:

A.

The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase “fiduciary obligations to shareholders” and to the extent it calls for a legal conclusion as to the obligations owed to shareholders. Without waving any objection, the Joint Applicants respond as follows: See response to Firestone Set 2 RFA 10.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 14**

14. RPS is a non-market based approach.

RESPONSE:

A.

See response to Firestone Set 2 RFA 2. Without waiving any objections, see response to Firestone Set 2 RFA 6.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 15**

15. Delaware RPS plays favorites.

RESPONSE:

A.

The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase “plays favorites” and in that it is argumentative. As such the Joint Applicants can neither admit nor deny. Without waiving any objection, the Joint Applicants state as follows:

State RPS laws carve out particular types of generation for different treatment.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 20**

20. Exelon is considering seeking regulatory approval of a transmission line that would require regulators to force ratepayers to finance that transmission line through higher electric bills.

RESPONSE:

A.

The Joint Applicants object to this data request on grounds that it is argumentative, accusatory, vague and ambiguous in that it does not identify the “transmission line” or the “regulators” involved and is, in general, too lacking in basic information to enable the Joint Applicants to respond. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 21**

21. Exelon's transmission project is a non-market transmission project.

RESPONSE:

A.

The Joint Applicants object to this data request on grounds that it is vague and ambiguous in that it does not identify the "transmission line" and does not define the phrase "non-market transmission project." As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 23**

23. The PTC has resulted in more wind power capacity being installed than if the PTC was never adopted.

RESPONSE:

A.

Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what would have occurred if the PTC had not been adopted. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 24**

24. Renewing the PTC will result in more wind power capacity being installed than if the PTC is not renewed.

RESPONSE:

A.

Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what will occur if the PTC is not renewed. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 25**

25. The spot market price of electricity is generally set by the marginal cost of supplying the next unit of electricity in a given hour.

RESPONSE:

A.

Neither admit nor deny, the spot market price of electricity in most organized markets is generally set by the marginal bid.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 26**

26. The law of supply and demand means that if less wind power capacity is installed the price of electricity to consumers will be greater.

RESPONSE:

A.

Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what will happen to the price of electricity if less wind power capacity is installed. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 27**

27. If less wind power capacity is built, the law of supply and demand means that the price of RECs will increase.

RESPONSE:

A.

Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what will happen to the price of RECs if less wind power capacity is installed. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 28**

28. If less wind power capacity is built, there is an increased likelihood that the REC price cap under Delaware law will be exceeded.

RESPONSE:

A.

Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know whether the REC price cap will be exceeded if less wind power capacity is installed. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 29**

29. If Exelon's position on the PTC prevails, Delmarva Power ratepayers will have to pay more to meet the REC obligation embodied in Delaware State Law than if it does not prevail

RESPONSE:

A.

Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what effect, if any, non-renewal of the PTC will have upon the cost of Delaware RPS compliance. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 30**

30. If Exelon's position on the PTC prevails, there is an increased likelihood that the REC price cap under Delaware law will be exceeded.

RESPONSE:

A.

Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what effect, if any, non-renewal of the PTC will have upon whether the REC price cap will be exceeded. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 31**

31. If Exelon's position on the PTC prevails, Delmarva Power ratepayers will have to pay more for electricity.

RESPONSE:

A.

Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what happen to the price of electricity if the PTC is not renewed for wind. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 32**

32. The benefits of electricity from renewable energy resources accrue to the public at large.

RESPONSE:

A.

The Joint Applicants object to this request on grounds that it calls for a legal conclusion. This request for admission is a direct quote from the "Renewable Energy Portfolio Standards Act," 26 *Del.C.* § 351 (b) which provides: "the benefits of electricity from renewable energy resources accrue to the public at large..."

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 33**

33. Electric suppliers and consumers share an obligation to develop renewable energy resources in the electricity supply portfolio of the state of Delaware.

RESPONSE:

A.

The Joint Applicants object to this request on grounds that it calls for a legal conclusion. This request for admission is a direct quote from the "Renewable Energy Portfolio Standards Act," 26 *Del.C.* § 351 (b) which provides: "electric suppliers and consumers share an obligation to develop a minimum level of these resources in the electricity supply portfolio of the state."

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 34**

34. If the Rock Island Clean Energy Line is built, wind power will cost less in PJM than if it were not built.

RESPONSE:

A.

Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase “wind power” in that the phrase has not been defined, that it is irrelevant to the issues before the Commission in this proceeding, and that it calls for speculation. It is not possible to know what effect, if any, construction of the Rock Island Energy Line will have on the cost of “wind power” in PJM. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 35**

35. If the Rock Island Clean Energy Line is built, Delmarva Power ratepayers will have to pay less to meet the REC obligation embodied in Delaware State Law.

RESPONSE:

A.

Joint Applicants object to this request on grounds that it calls for speculation and that it is irrelevant to the issues before the Commission in this proceeding. It is not possible to know at this time what effect, if any, construction of the Rock Island Energy Line will have on the cost to achieve RPS compliance in Delaware. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 36**

36. If the Rock Island Clean Energy line is built, there will be less coal generation in western PJM

RESPONSE:

A.

Joint Applicants object to this request on grounds that it calls for speculation and that it is irrelevant to the issues before the Commission in this proceeding. It is not possible to know at this time what effect, if any, construction of the Rock Island Energy Line will have on the amount of coal generation in PJM. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 37**

37. If the Rock Island Clean Energy line is built, there will be less coal generation upwind of Delaware.

RESPONSE:

A.

Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase “upwind of Delaware” and in that it calls for speculation. It is not possible to know at this time what effect, if any, construction of the Rock Island Energy Line will have on the amount of coal generation in PJM. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 39**

39. A reduction in demand for electricity reduces market prices for electricity, all other things being equal.

RESPONSE:

A.

Joint Applicants object to this request on grounds that it calls for speculation. Without waiving any objection, the Joint Applicants respond as follows: Admit generally speaking, all other things being equal.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 40**

40. Energy efficiency is not in the best interest of Exelon's shareholders.

RESPONSE:

A.

Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase "in the best interest of Exelon's shareholders" and in that it calls for speculation. Without waiving any objection, the Joint Applicants respond as follows:

Deny. Exelon is a leader in offering energy efficiency products, both through its utilities and its Constellation competitive business.

For additional information, please refer to the 2013 Exelon Corporation Sustainability Report at page 37:

Through the ComEd and PECO Smart Ideas® programs and similar BGE Smart Energy Savers Program®, our utilities have helped our customers save more than 14 million MWh of energy over the past three years through home energy audits, lighting discounts, appliance recycling, home improvement rebates and equipment upgrade incentives. For example, through incentives provided by the BGE Smart Energy Savers Program, Towson University in Maryland was able to install high-efficiency lighting fixtures, occupancy sensors and energy efficiency climate controls throughout the university's new 300,000-square-foot College of Liberal Arts building, the new 86,000-square-foot West Village commons facility and a new parking garage. Due to the

incentives provided through BGE's Energy Solutions for Business Program, the university saved nearly \$125,000 during the construction of the new parking garage, and anticipates more than \$580,000 in energy savings annually upon completion of the academic and West Village facilities.

And the 2013 Exelon Corporation Sustainability Report at page 42:

Exelon's retail business unit, Constellation, provides energy products and services to 100,000 business, public sector and government customers and more than 1 million residential customers, in 46 states to shop for competitively priced electric power and natural gas, and offered customers innovative products and bundled solutions to meet their energy and energy management needs. This business provides the platform for Exelon's growth in competitive markets.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 42**

42. When new wind power capacity is constructed in western PJM and wind power is subsequently generated, some of the fossil fuel generation displaced is upwind of Delaware.

RESPONSE:

A.

Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase “upwind of Delaware” and in that it calls for speculation. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 43**

43. When new wind power capacity is constructed in western PJM and wind power is subsequently generated, there are air quality benefits for Delaware.

RESPONSE:

A.

Joint Applicants object to this request on grounds that it is vague and ambiguous in that it does not identify: (a) the amount of “wind power capacity,” (b) the amount of wind generation or the length of time that the generation occurs, (c) whether any other resource is displaced as a result of the wind generation and if so, (d) where that resource is, (e) what the displaced resource is and (f) for how long it is displaced. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 44**

44. The PTC has benefitted states beyond those that have mandatory RPS.

RESPONSE:

A.

Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase “has benefitted states” in that it does not identify what the “benefits” are and in that it calls for speculation. As such the Joint Applicants can neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 45**

45. More than 10,000MW of installed capacity of wind power are in the eight states and two territories that have a voluntary RPS.

RESPONSE:

A.

The Joint Applicants object to this request on grounds of relevance and to the extent the Joint Applicants are without information and knowledge necessary to admit or deny. By way of further response, and without waiving any objection, the Joint Applicants respond as follows: Neither admit nor deny. Exelon has not conducted the analysis needed to attempt to admit or deny this request.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 46**

46. More than 3000MW of installed capacity of wind power in the states without voluntary or mandatory RPS.

RESPONSE:

A.

See response to Firestone Set 2 RFA 45.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 47**

47. Siemens Wind Power is headquartered in Florida.

RESPONSE:

A.

The Joint Applicants object to this request of grounds of relevance and to the extent the Joint Applicants are without sufficient knowledge or information necessary to admit or deny this request.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 48**

48. Next Era Energy Resources is headquartered in Florida

RESPONSE:

A.

The Joint Applicants object to this request on grounds of relevance.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 49**

49. General Electric has a wind turbine manufacturing facility in South Carolina

RESPONSE:

A.

The Joint Applicants object to this request of grounds of relevance.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 50**

50. The large wind turbine drivetrain testing facility is in South Carolina.

RESPONSE:

A.

The Joint Applicants object to this request of grounds of relevance and on grounds that it is vague and ambiguous in that it does not identify who owns or operates “the large wind turbine drive train testing facility in South Carolina.”

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 51**

51. Neither Florida nor South Carolina has an RPS law.

RESPONSE:

A.

The Joint Applicants object to this request of grounds of relevance and that it would require the Joint Applicants to engage in legal research on behalf of this intervener and to make a legal conclusion concerning the laws of other states.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 52**

52. Many nuclear plants in France are load-following.

RESPONSE:

A.

The Joint Applicants object to this request of grounds of relevance.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 66**

66. Nuclear power has social costs.

RESPONSE:

A.

Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase: “social costs” as that phrase is not defined. Without waiving any objection, the Joint Applicants respond as follows: Neither admit nor deny. The term “social costs” is vague and ambiguous. All generation has public impacts.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 67**

67. Exelon does not pay the fair market value for water for the majority of its thermal generation plants, including nuclear.

RESPONSE:

A.

Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase: “fair market value for water,” is argumentative and lacks relevancy to the matters before the Commission in this docket. As such, Joint Applicants neither admit nor deny.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 68**

68. The operation of Exelon's thermal generation plants results in the entrainment and impingement of fish and fish larvae.

RESPONSE:

A.

The Joint Applicants object to this request of grounds of relevance. Without waiving any objection, the Joint Applicants respond as follows: Generally speaking, admit.

Exelon's thermoelectric generating stations rely on cooling water to produce electricity. To minimize entrainment and impingement occurrences, Exelon power plants implement a variety of measures, including reducing the flow velocity of the cooling water withdrawal and installing equipment to capture aquatic organisms at the intake structure and return them safely to the water body.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 69**

69. The environmental impacts of nuclear power are greater than the environmental impacts of wind power.

RESPONSE:

A.

Exelon objects to this request on grounds that it is vague and ambiguous in the use of the phrase “environmental impacts” in that the phrase is not defined and in that the request is argumentative. All generation has public and environmental impacts and Exelon cannot respond further due to the vagueness of the request.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 71**

71. The organization “Nuclear Matters” was set up by Exelon.

RESPONSE:

A.

Exelon objects to this request in that it is vague and ambiguous in the use of the phrase “set up.” Without waiving any objection, Exelon admits that it is one of the original supporters of Nuclear Matters.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 73**

73. A purpose of the proposed all-cash transaction for PHI was to be able to exert greater influence on renewable energy policies in states within PJM.

RESPONSE:

A.

The Joint Applicants object to this request on grounds that it is argumentative and accusatory. Without waiving any objection, the Joint Applicants respond as follows:

Denied. From the merger announcement: “This all-cash transaction offers \$27.25 per share of Pepco Holdings stock. The combination of companies will be highly accretive to Exelon’s earnings starting in the first full year after close, and will be cash flow accretive. It also maintains Exelon’s upside to power market improvements while supporting its balanced and integrated business model. This transaction will create the leading mid-Atlantic electric and gas utility, one that is diversified across a number of regulatory jurisdictions, with a strong combined credit profile upon close and significant opportunities for continued improvement over time.”

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 74**

B. Directed to PEPCO

74. Pepco supports the Delaware RPS law.

RESPONSE:

A. PHI objects to this request on grounds that it is vague and ambiguous in the use of the term “supports.” Without waiving any objection, it is admitted that Delmarva Power, a PHI affiliate, complies with and supports compliance with the RPS law in Delaware.

SPONSOR: William M. Gausman

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 76**

76. Pepco supports more wind power capacity regardless of its effect on the profitability of nuclear generation.

RESPONSE:

- A. PHI objects to this request on grounds that it is vague and ambiguous in the use of the term “supports.” Denied as stated. PHI has not taken a position on this issue.

SPONSOR: PHI

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
REQUESTS FOR ADMISSION NO. 77**

77. Pepco supports more solar power capacity regardless of its effect on the profitability of nuclear generation.

RESPONSE:

A. PHI objects to this request on grounds that it is vague and ambiguous in the use of the term “supports.” Denied as stated. PHI has not taken a position on this issue.

SPONSOR: PHI

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 1**

INTERROGATORIES

1. With respect to every request for admission which you denied in whole or in part:
 - (a) State the facts that form the basis of your denial.
 - (b) Identify each person, including natural person, with knowledge of the facts that form the basis of your denial.
 - (c) Identify any documents that you contend support your denial.
 - (d) Identify any documents that may tend to undermine support for your denial.

RESPONSE:

A.

Previously Asserted Objections:

- (b) Overly broad, unduly burdensome.
- (c) Overly broad, unduly burdensome, involves documents that would be overly cumulative, work product doctrine and attorney-client privilege.
- (d) Overly broad, unduly burdensome, involves documents that would be overly cumulative, work product doctrine and attorney-client privilege.

See objections previously asserted. In response to (a), with respect to each request for admission that the Joint Applicants denied in whole or in part, the basis for the denial is included in the response to the request for admission.

SPONSOR: PHI / Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 2**

2. With respect to every request for admission that you give lack of information or knowledge as a reason for failure to admit or deny:

- (a) Identify each person, including natural person, with knowledge related to the request for admission.
- (b) Identify any documents related to the request for admission.

RESPONSE:

A.

Previously Asserted Objections:

- (a) Overly broad, unduly burdensome, irrelevant.
- (b) Overly broad, unduly burdensome, vague and ambiguous, involves documents that would be overly cumulative, work product doctrine and attorney-client privilege.

Without waiving any objection, see objections and responses to requests for admission and response to Firestone Set 1 Q 28.

SPONSOR: PHI / Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 4**

4. Of the total MWs of wind generation owned by Exelon, how many MW are at wind project that was commissioned prior to Exelon's ownership and how many MW are at a wind project that was commissioned during Exelon's ownership.

RESPONSE:

A. Exelon has 1300 MW in its wind fleet. Exelon acquired 735 MW that were in production prior to Exelon's ownership. In addition, Constellation had 70 MW that were in production prior to the Exelon-Constellation merger. Exelon has built 494 MW at 7 sites commissioned during Exelon's ownership. There are presently 90 MW under construction at 2 sites scheduled for commercial operation in 2014.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 5**

5. Please explain in detail the relationship between Exelon and Nuclear Matters, including any role Exelon played in setting up Nuclear Matters, the extent of funding and control Exelon exercises over Nuclear Matters, and why Exelon uses Nuclear Matters to advance nuclear power policy rather than or in addition to advancing nuclear power itself.

RESPONSE:

A.

Objection: Overly broad, unduly burdensome and irrelevant to the matters before the Delaware Commission. Generation and wholesale power issues are subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”) and other regulatory agencies and entities. The details requested in this interrogatory are irrelevant to the matters before the Delaware Commission in this docket, outside the jurisdiction of the Commission, and are overly broad and unduly burdensome. Without waiving any objection, the Joint Applicants respond as follows: Exelon is a supporter of Nuclear Matters. A cross-section of individuals, organizations, and businesses have come together to support Nuclear Matters because of a shared interest in educating the public about the need to preserve the nation’s existing nuclear plants and the substantial reliability, economic, and environmental benefits they provide.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 7**

7. Please identify and provide a detailed description of any communications or conversations Exelon has had with Pepco during the course of the merger discussions regarding wind power, the wind PTC or RPS laws.

RESPONSE:

A. Object to the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to Firestone Set 2 Interrogatory 5. Without waiving any objections, the Joint Applicants respond: Exelon had no communications or conversations with Pepco in the course of the merger discussions regarding wind power, the wind PTC or RPS laws.

SPONSOR: PHI

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 8**

8. Please identify and provide a detailed description of any communications or conversations or information relied on by Exelon's Board of Directors in consideration of the merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.

RESPONSE:

A. There were no communications or conversations or information relied on by Exelon's Board of Directors in consideration of the merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 9**

9. Please identify and provide a detailed description of any communications or conversations or information relied on by Pepco's Board of Directors in consideration of the merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.

CONFIDENTIAL RESPONSE:

A. This response is Confidential and can be found in the Confidential portion of the Delaware Discovery Data Room.

SPONSOR: PHI

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 10**

10. Please identify and provide a detailed description of any communications, including studies, that were not included in materials distributed to Exelon's Board of Directors, but were developed or occurred in support of presentations made, and provided to Senior Management on the merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.

RESPONSE:

A. There were no communications or studies that were not included in materials distributed to Exelon's Board of Directors, but were developed or occurred in support of presentations made and provided to Senior Management on the merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 11**

11. Please identify and provide a detailed description of any communications, including studies, that were not included in materials distributed to Pepco's Board of Directors, but were developed or occurred in support of presentations made, and provided to Senior Management on the merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.

CONFIDENTIAL RESPONSE:

A. This response is Confidential and can be found in the Confidential portion of the Delaware Discovery Data Room.

SPONSOR: PHI

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 12**

12. Did the Pepco Board of Trustees take into account in any manner Exelon's positions on any of the following when considering whether to merge with Exelon?:

- (a) The wind PTC
- (b) State RPS laws
- (c) Transmission of clean energy
- (d) The relationship between wind energy and the profitability of Exelon's

nuclear power plants.

RESPONSE:

A. Object to the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to Firestone Set 2 Interrogatory 5. Without waiving any objection, the Joint Applicants respond as follows:

- A. No
- B. No
- C. No
- D. See response to Firestone Set 2 Interrogatory 9.

SPONSOR: PHI

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 13**

13. If Pepco's Board of Trustees did take into account in any manner Exelon's positions on the wind PTC, State RPS law, transmission of clean energy or the relationship between wind energy and the profitability of Exelon's nuclear power plants, please identify in detail and explain how and when.

RESPONSE:

A. Object to the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to Firestone Set 2 Interrogatory 5. Without waiving any objection, the Joint Applicants respond as follows: Not applicable.

SPONSOR: PHI

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 14**

14. Did Pepco's Board of Trustees take into account, consider and/or determine that the merger would be fair to and in the best interests of ratepayers/customers?

(a) If the answer is a qualified or unqualified "Yes," identify in detail and explain how and when it took such fairness and interests into account.

(b) If the answer is anything other than an unqualified "Yes," identify in detail and explain why not.

RESPONSE:

A. Object to the extent this request involves communications protected by the attorney/client privilege. Without waiving any objection the Joint Applicants respond as follows:

The PHI Board considered the impact on customers in conjunction with its analysis of the likelihood of obtaining all required regulatory approvals, and included in its consideration Exelon's regulatory commitments outlined in Exhibit B of the merger agreement. The commitments, included but were not limited to the following:

- Commitment to increase system reliability
- Creation of a \$100 million fund (approximately \$50 per customer) to be utilized across PHI's service territory for customer benefits
- Commitment to continue annual charitable contributions for 10 years at current levels

SPONSOR: PHI

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 15**

15. Please identify and provide a detailed description of any communications, including studies, that have occurred as part of the merger integration, including those of the merger integration team, related to wind power, the wind PTC, or state RPS laws.

RESPONSE:

A. No communications or studies have been conducted as part of the merger integration process related to wind power, the wind PTC, or state RPS laws.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 16**

16. Please identify and provide a detailed description of any communications, including studies, that have occurred as part of the merger integration, including those of the merger integration team, related to Exelon's generation assets, including, but not limited to its, nuclear power plants.

RESPONSE:

A. No communications or studies have been conducted as part of the merger integration process related to Exelon's generation assets.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 17**

17. Please identify and provide a detailed description and explain how, if at all, the merger integration team has taken into account customer/ratepayers interests in renewable energy in its integration decisions.

RESPONSE:

A. The merger integration team has not considered any changes to the ways in which the combined company and its affiliates will meet renewable energy requirements in Delaware. Delmarva Power & Light will continue to meet its renewable portfolio standard (“RPS”) requirements through processes and procedures approved by the Delaware Public Service Commission and pursuant to applicable Delaware Laws and Regulations.

With respect to any Delaware RPS obligations that the combined company’s subsidiaries may incur, Exelon will continue to meet such obligations through transfers/retirements of Delaware RPS-eligible renewable energy credits (“RECs”) in the PJM Generation Attributes Tracking System, and through the payment of alternative compliance payments (“ACPs”) for any shortfall in RECs. These RECs may be acquired through various means including, but not limited to, purchases from third-party renewable generators, transfers from generation owned by Exelon subsidiaries, and purchases from other marketers trading RECs in the normal course.

SPONSOR: Denis O’Brien

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 21**

21. For each of the following, Exelon identify the percentage generation in MWh/year for each of the past five years of Exelon-owned generation assets

- (a) Nuclear
- (b) Natural gas
- (c) Coal
- (d) Oil
- (e) Hydropower
- (f) Wind
- (g) Solar
- (h) Landfill gas
- (i) Other

RESPONSE:

A.

	2009	2010	2011	2012	2013
Nuclear	93.20%	92.97%	92.31%	81.45%	79.30%
Natural Gas	1.11%	1.14%	1.54%	11.98%	11.73%
Coal	4.75%	5.06%	3.34%	3.92%	4.98%
Oil	0.02%	0.03%	0.02%	0.01%	0.01%
Oil/Gas	0.00%	0.00%	0.00%	0.19%	0.33%
Hydropower	0.92%	0.80%	1.43%	0.78%	1.01%
Landfill Gas	0.00%	0.00%	0.00%	0.15%	0.12%
Other	0.00%	0.00%	0.00%	0.00%	0.02%
Solar	0.00%	0.01%	0.01%	0.04%	0.33%
Wind	0.00%	0.00%	1.35%	1.48%	2.17%

Reflects generation output at proportionate ownership per Exelon 10-K.

Does not include ownership through equity method investments (e.g.CENG).

Includes results for Constellation business transferred to Exelon effective March 12, 2012.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 30**

30. Please identify the total amount of tax credits that Exelon has claimed as a result of the wind PTC:

- (a) Since its inception

- (b) Since it began opposing the wind PTC.

RESPONSE:

A. Objection: Overly broad, unduly burdensome and irrelevant to the matters before the Delaware Commission. Generation and wholesale power issues are subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”) and other regulatory entities and Federal taxation matters are subject to the jurisdiction of the Internal Revenue Service. While RPS compliance matters are within the jurisdiction of the Delaware Commission, the details requested in this interrogatory are irrelevant to RPS compliance by Delmarva Power, irrelevant to the matters before the Delaware Commission in this docket, outside the jurisdiction of the Commission, and would be overly broad and unduly burdensome. Without waiving any objection, the Joint Applicants respond as follows:

(a) Since its inception: Exelon has claimed approximately \$132 million as a result of the federal wind PTC since the inception of that credit (1992 through 2013). Exelon has taken \$1.5 million of state wind PTCs during that period.

(b) Since it began opposing the wind PTC: See response to part (a)

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 31**

31. Please identify the total amount of tax credits that Exelon estimates it will be able to claim as a result of the wind PTC in the future based on:

- (a) Existing wind projects
- (b) Wind projects under development

CONFIDENTIAL RESPONSE:

A. This response is Confidential and can be found in the Confidential portion of the Delaware Discovery Data Room.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 32**

32. Has Exelon had any meetings or communications with US EPA regarding the proposed Clean Power Plant rule? If so, please identify and provide a detailed description of those communications, including any communication regarding structuring the final rule to protect the profitability of Exelon's nuclear power plant assets.

RESPONSE:

A.

Objection: Overly broad, unduly burdensome and irrelevant to the matters before the Delaware Commission. Generation and wholesale power issues are subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") and other regulatory entities and matters regulated by the EPA are subject to its jurisdiction. While RPS compliance matters are within the jurisdiction of the Delaware Commission, the details requested in this interrogatory are irrelevant to RPS compliance by Delmarva Power, irrelevant to the matters before the Delaware Commission in this docket, outside the jurisdiction of the Commission, and would be overly broad and unduly burdensome. The details requested in this interrogatory are confidential. Without waiving any objection, the Joint Applicants respond as follows:

Exelon has met with EPA on several occasions itself and as part of other groups to support EPA in its requirement to implement the Clean Power Rule as directed by the Supreme Court.

In meetings, Exelon stressed that its fleet provides around the clock, emissions-free energy that performs during all weather conditions, including times of severe weather like the polar vortex. While EPA's proposed rule appropriately recognized the critical role of existing nuclear plants in enabling the U.S. to meet carbon reduction goals, the nuclear crediting mechanism needs to be improved to achieve EPA's intended objective. As it finalizes this regulation, Exelon's view is that EPA should treat zero-carbon resources the same and ensure states do not double-count these resources. Exelon looks forward to working with EPA and key stakeholders in the coming months as the rule is finalized.

SPONSOR: Exelon Corporation

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 35**

35. With regard to the direct testimony of Dr. Tierney, p. 7, do you contend that Exelon and PHI did not need to submit the change in control of PHI to the jurisdiction of the Commission?

(a) If the answer is anything other than an unqualified “No,” explain the basis for the response.

(b) If the answer is anything other than an unqualified “No,” quantify the benefit to Delmarva Power & Light customers.

RESPONSE:

A. The Joint Applicants’ object to this request on grounds that it seeks a legal conclusion. Without waiving any objection, the Joint Applicants respond as follows: No, based on Dr. Tierney’s understanding from Exelon/PHI counsel.

SPONSOR: Dr. Susan F. Tierney

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 NO. 41**

41. Identify each person, including natural person, who in a material way participated in, supplied information to, or assisted the person verifying the answers to or signing the answers to admissions, answers to the interrogatories and requests for production of documents, including those person(s) who have provided information for such answers and those persons who are sponsoring an answer, stating with specificity the answer(s) involved.

RESPONSE:

A. Objection: Overly broad, unduly burdensome and seeks information that is irrelevant. Without waiving any objection, see response Firestone Set 1 Q 28.

SPONSOR: PHI

**JOINT APPLICANTS
DELAWARE PSC 14-193
RESPONSE TO FIRESTONE
SET 2 DR 1**

REQUESTS FOR PRODUCTION

1. Produce all documents related to a response to the interrogatory requests.

RESPONSE:

A. Objection: Overly broad, unduly burdensome, seeks information that is irrelevant, vague and ambiguous and fails to identify with reasonable particularity the category of information requested. Without waiving any objection, see materials produced in response to various requests for production.

SPONSOR: PHI / Exelon Corporation

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

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

CERTIFICATE OF SERVICE

I, hereby certify that on this 24th day of September, 2014, that the within document was filed with the Public Service Commission, via DelaFile and mailed to:

Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

I further certify, on this same date, I e-mailed a copy of the same to all of the recipients identified on the Service List. See <https://delafile.delaware.gov/Global/AdvanceSearch.aspx> (last visited September 24, 2014).

DRINKER BIDDLE & REATH LLP

/s/ Joseph C. Schoell
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Dated: September 24, 2014