

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17105-3265**

**Joint Application of PECO Energy
Company and Public Service Electric
And Gas Company for Merger**

**Public Meeting held January 27, 2006
JAN-2006-OSA-0037
Docket No. A-110550F0160**

STATEMENT OF CHAIRMAN WENDELL F. HOLLAND

Today, the Commission considers the Joint Application of PECO Energy Company (PECO) and Public Service Electric and Gas Company for approval of the merger of Public Service Enterprise Group Inc. with and into Exelon Corporation. With the combined legal and technical efforts of the Commission's multi-faceted resources, we are presented with a high-quality assessment and recommendation of a complex merger application. I would like to extend many thanks to our Office of Administrative Law Judge as well as the Office of Special Assistants, Office of Trial Staff and all of the other parties to the proceeding for their contributions.

When I became Chairman, I said this Commission would focus on rates, reliability and choice, so we can protect the public interest, promote economic development and preserve the environment. As I considered this case, I was pleased to find that its terms and conditions balance the responsibility to protect the public interest with the need to ensure the viability of utility companies. This settlement protects the public interest, encourages economic development and safeguards the environment.

Perhaps most important to all consumers is that the settlement caps the company's rates through December 2010, shielding consumers from the spikes in energy prices that negatively impact family budgets. Families and seniors will be able to better predict and budget for their energy usage for years to come. I want to underscore this point: PECO's rates have remained virtually the same since 1996 and will stay frozen through 2010.

PECO also made significant commitments to enhance its Consumer Assistance Program by agreeing to increase the amount of usage subject to discounted rates and to add a special needs component that will make bills more affordable for consumers at the lowest levels of poverty. The company agreed to increase its efforts to reach out to our neighbors in need, spending an additional \$1.2 million during the next four years to educate low-income consumers about the programs available to help them pay their bills.

Consumers also will reap the benefits from PECO supporting an extension to its commitments regarding reliability and customer service. PECO agreed to performance thresholds in eight areas that are critical in providing safe and reliable service and reasonable customer service.

Beyond making a commitment to renewable power and energy efficiency initiatives as well as economic development, the company also made a commitment to the City of Philadelphia and its residents. PECO pledged to maintain its corporate headquarters for its distribution business in the city through at least 2010. The company also agreed that many key workforce positions that affect reliability and customer service will not be reduced prior to January 2011.

The Public Utility Code requires that this Commission must affirmatively determine that the “public benefit will result” from any merger under consideration and that the merger will promote the “service accommodation, convenience or safety of the public” in some substantial way. I believe that the merged entity we approve today result in better service, reliability and rates for Pennsylvania’s consumers.

DATE

Wendell F. Holland, Chairman