

January 29, 2016

Government of the District of Columbia Board of Ethics & Government Accountability 441 4th Street, NW, Suite 830 South Washington, D.C. 20001

RE: Lobbyist Activity Reports from Exelon

Dear Board of Ethics:

Public Citizen encourages you to review carefully the lobbyist activity reports filed by Exelon Corporation and its lobbyists covering the period between July 2015 and January 2016.

The lobbyist activity reports for Exelon and its registered lobbyists, including Earle C. Horton, former chair of Mayor Muriel Bowser's now-disbanded political action committee (FreshPAC), raise more questions than they answer. The activity reports show a number of inconsistencies, both in terms of Exelon's lobbying activities in the previous year, as well as the declaration by Exelon's lobbyists of receiving almost no compensation and conducting no reportable lobbying activity at a time when the company's most significant interests in the District were at stake.

Specifically, Public Citizen asks the following questions:

1. Why did Exelon's reportable lobbying activity go from extensive in prior years to almost nil during the period in which the company was negotiating with District officials over the terms of the settlement under which the District government would support the proposed takeover of Pepco?

Exelon has been an active lobbying entity in District government. The company hired the services of at least two lobbyists, John Ray and Tina Ang, in the second half of 2014, spending a total of \$5,018 on lobbying activity. The two lobbyists held 21 meetings with Councilmembers and the Mayor on "energy" related business.

The next reporting periods between July 2015 and January 2016 – the period in which the company negotiated an agreement with the District to support the Exelon-Pepco merger before the Public Service Commission – showed almost all lobbying activity come to a stop. Oddly, Exelon reached out and hired a third lobbyist during this period, Earle Horton, a close advisor to the Mayor, but Horton reported "0" compensation and no lobbying activity. The other two lobbyists also reported very little activity, with John Ray receiving \$156 and apparently making one lobby contact, and Tina Ang reporting no compensation and no activity. Lobbying compensation and activity came to a complete halt for all three lobbyists in the second half of 2015.

It is during this period that Exelon negotiated with District officials the terms of under which the District's government would support the merger with Pepco, the most significant matter in Exelon's history in DC politics.

2. For what did Exelon pay \$2,750 in "Other Expenses" during the period of lobbying inactivity between July 2015 and January 2016? Were undisclosed retainer fees for Horton's firm for "strategic advisory" matters related to lobbying activity on the Exelon-Pepco merger?

While Exelon's three lobbyists reported almost no compensation and activity during the critical contractual period between July 2015 and January 2016, the company itself declared spending \$2,750 on "Other Expenses" for lobbying.

At the same time, it is worth noting that in an email dated January 12, 2016, from Earle Horton to Patrick Madden, an investigative reporter with WAMU-FM, Horton recognized that Exelon retained his firm – Graves, Horton, Askew & Jenkins LLC (the "Firm") – for an undisclosed amount in fees "to represent Exelon in strategic advisory and certain legal matters."

It is not possible from the public records to decipher what the company's reported expenses were paid for, or what Horton's firm was paid for its services. The inconsistencies raise legitimate concerns about who was paid what, if anything, during the critical period of negotiations between Exelon and the government of the District of Columbia.

Public Citizen urges the Board of Ethics & Governmental Accountability to closely review these reports and make every reasonable effort to answer the questions.

Respectfully submitted,

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