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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

**FORM 8-K**

**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d) of the**  
**Securities Exchange Act of 1934**

September 27, 2006

**Date of Report (Date of earliest event reported)**

<u>Commission File Number</u>	<u>Exact Name of Registrant as Specified in Its Charter; State of Incorporation; Address of Principal Executive Offices; and Telephone Number</u>	<u>IRS Employer Identification Number</u>
1-16169	<b>EXELON CORPORATION</b> (a Pennsylvania corporation) 10 South Dearborn Street – 37th Floor P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-7398	23-2990190
1-1839	<b>COMMONWEALTH EDISON COMPANY</b> (an Illinois corporation) 440 South LaSalle Street Chicago, Illinois 60605-1028 (312) 394-4321	36-0938600
000-16844	<b>PECO ENERGY COMPANY</b> (a Pennsylvania corporation) P.O. Box 8699 2301 Market Street Philadelphia, Pennsylvania 19101-8699 (215) 841-4000	23-0970240
333-85496	<b>EXELON GENERATION COMPANY, LLC</b> (a Pennsylvania limited liability company) 300 Exelon Way Kennett Square, Pennsylvania 19348 (610) 765-6900	23-3064219

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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### **[Item 7.01. Regulation FD Disclosure](#)** **[SIGNATURES](#)**

#### **Section 7 — Regulation FD**

##### **Item 7.01. Regulation FD Disclosure**

On September 27, 2006, Exelon Corporation (Exelon) will participate in the Merrill Lynch Global Power & Gas Leaders Conference in New York City. Attached as Exhibit 99 to this Current Report on Form 8-K are the discussion materials to be used at the conference. During the conference, Exelon will announce that given the first half results and the results of July and August, Exelon anticipates that adjusted (non-GAAP) year-end 2006 operating earnings per share will be between \$3.15 and \$3.30. A reconciliation of GAAP earnings to adjusted (non-GAAP) operating earnings is included in the appendix to the slides attached as Exhibit 99.

\* \* \* \* \*

This combined Form 8-K is being furnished separately by Exelon, Commonwealth Edison Company (ComEd), PECO Energy Company (PECO) and Exelon Generation Company, LLC (Generation) (Registrants). Information contained herein relating to any individual registrant has been furnished by such registrant on its own behalf. No registrant makes any representation as to information relating to any other registrant.

Except for the historical information contained herein, certain of the matters discussed in this Report are forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from the forward-looking statements made by a registrant include those factors discussed herein, as well as the items discussed in (a) the Registrants' 2005 Annual Report on Form 10-K—ITEM 1A. Risk Factors, (b) the Registrants' 2005 Annual Report on Form 10-K—ITEM 8. Financial Statements and Supplementary Data: Exelon—Note 20, ComEd—Note 17, PECO—Note 15 and Generation—Note 17, and (c) other factors discussed in filings with the SEC by the Registrants. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Report. None of the Registrants undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this Report.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EXELON CORPORATION  
PECO ENERGY COMPANY  
EXELON GENERATION COMPANY, LLC

/s/ John F. Young

John F. Young  
Executive Vice President, Finance and Markets, and Chief  
Financial Officer  
Exelon Corporation

COMMONWEALTH EDISON COMPANY

/s/ Robert K. McDonald

Robert K. McDonald  
Senior Vice President, Chief Financial Officer, Treasurer and  
Chief Risk Officer  
Commonwealth Edison Company

September 27, 2006

# Value Driven – Time and Again

John W. Rowe

Chairman, President & Chief Executive Officer

Merrill Lynch  
Global Power & Gas Leaders Conference  
New York City  
September 27, 2006

The Exelon logo consists of the word "Exelon" in a blue sans-serif font, with a green power symbol (a circle with a vertical line) replacing the letter "o". A thin blue horizontal line is positioned below the logo.

# Forward-Looking Statements

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This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. The factors that could cause actual results of Exelon Corporation (Exelon), Commonwealth Edison Company, PECO Energy Company, and Exelon Generation Company LLC (collectively, the Exelon Companies) to differ materially from these forward-looking statements include those discussed herein as well as those discussed in (a) the Exelon Companies' 2005 Annual Report on Form 10-K-ITEM 1A. Risk Factors, (b) the Exelon Companies' 2005 Annual Report on Form 10-K-ITEM 8. Financial Statements and Supplementary Data: Exelon-Note 20, ComEd-Note 17, PECO-Note 15 and Generation-Note 17, and (c) other factors discussed in filings with the SEC by the Exelon Companies. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. None of the Exelon Companies undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this presentation.

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# Auction Holds Electricity Prices to Below 1995 Levels

## News from the Illinois Commerce Commission

Voice: Springfield, 217.782.5793 Chicago, 312.614.2850 FAX 217.524.0674 888 217.782.9233 <http://www.icc.illinois.gov>  
FOR IMMEDIATE RELEASE

Sept. 14, 2006

Beth Bosch  
Brian Sterling

### ICC Approves Results of First Power Auction New Rates Effective in January

The Illinois Commerce Commission today approved the results of the state's first auction to procure electricity from the Commonwealth Edison Company and the American Central Illinois Public Service Company and the Central Illinois Public Service Company and the American Central Illinois Public Service Company.

The vast majority of Illinois electric utility commercial customers, purchase their electricity from Commonwealth Edison.

The Commission did, however, decide to allow a portion of the state's electric utility commercial customers to participate in this optional pricing program. Customers whose electricity demand is quite



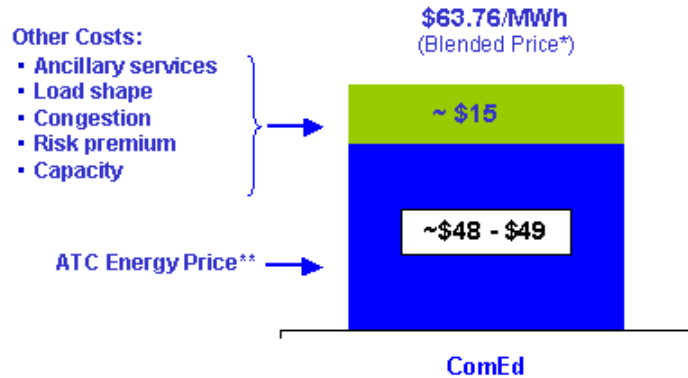
**Exelon**

# Adding Value through Competition

## Winning Bidders:

- Ameren Energy Marketing
- American Electric Power
- Conectiv Energy Supply
- Constellation Energy Commodities
- DTE Energy Trading
- Dynegy Power Marketing
- Edison Mission Marketing & Trading
- Energy America
- Exelon Generation
- FPL Energy Power Marketing
- J. Aron & Company
- J.P. Morgan Ventures Energy
- Morgan Stanley Capital Group
- PPL EnergyPlus
- Sempra Energy Trading
- WPS Energy Services

## Illinois Auction Results



\* Blended price for residential and small commercial customers (the average of the three CPP-B products)

\*\* Range of 2007 and 2008 NI Hub ATC prices over the auction bidding period (Sept. 5 – Sept. 8, 2006)

**Illinois fixed priced auctions  
declared successful**

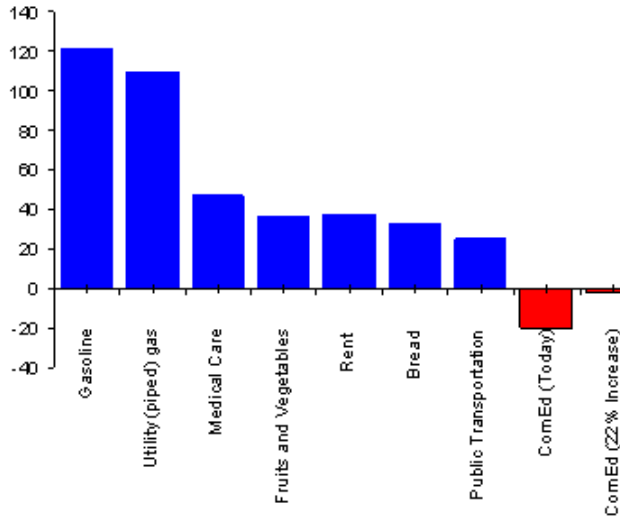
**Exelon**



# Adding Value for Illinois Consumers

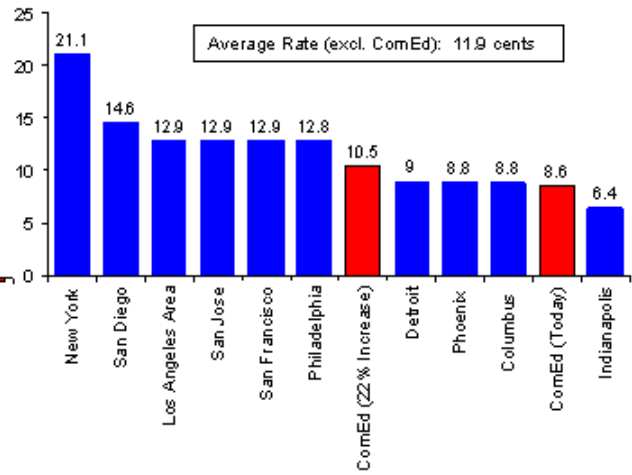
## 10 Year Price Trends

(in % price increases 1996 – 2006)



## Electricity Rates in Major Cities

(2005 Residential Rates, in cents per kWh)



### Sources

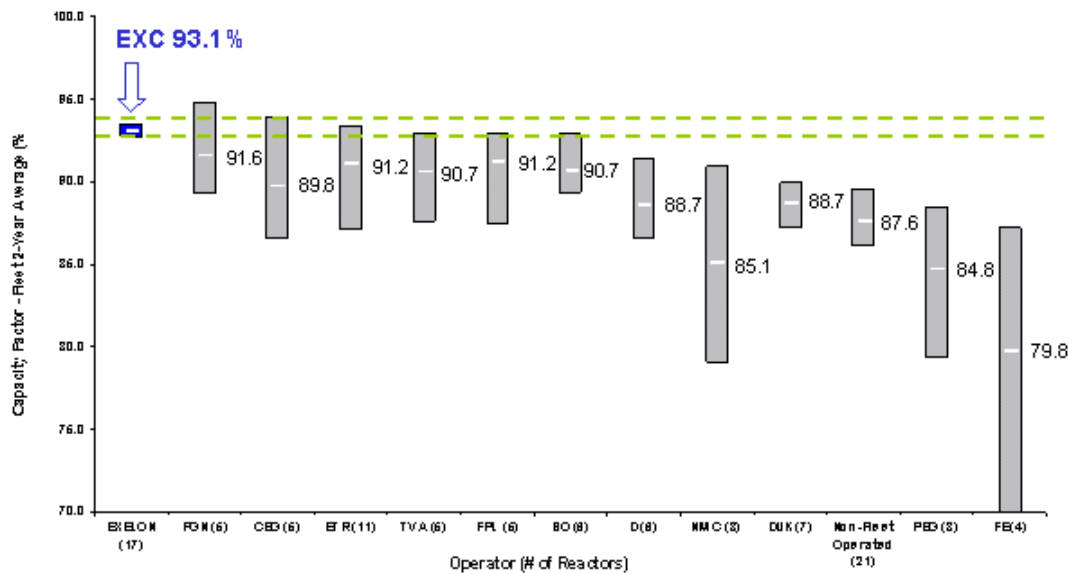
10-Year Price Trends: CPI, City Average for all Urban Consumers, Dept. of Labor, Bureau of Labor Statistics

Electricity Rates in Major Cities: Edison Electric Institute (EEI) – Typical Bills and Average Rates Report, Winter 2006, pp. III – IV  
 Analysis represents the top 10 largest metropolitan areas served by investor-owned utilities (excluding Houston and Dallas).  
 CenterPoint Energy and TXU did not participate in the EEI study.



# Adding Value – Operational Excellence

## Range of Nuclear Capacity Factors (2001-2005)



Sources: Platts, Nuclear News, NRC and Department of Energy

**Exelon Nuclear's sustained performance is a competitive advantage; August YTD capacity factor was 94.4%**



# Adding Value – Financial Performance

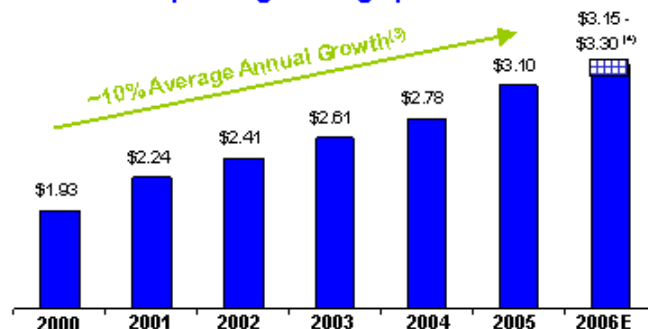
## Year-to-date EPS Results:

	Jun-05	Jun-06
<b>Adjusted (non-GAAP) EPS<sup>(1)</sup></b>		
Operating	\$ 1.42	\$ 1.48
Weather Normalized <sup>(2)</sup>	\$ 1.40	\$ 1.54

### First Half 2006 Highlights:

- ICC approved IL auction
- Exelon Generation, one of 16 winning bidders in the auction
- Higher generation margins
- Strong nuclear and fossil fleet performance
- Successful energy delivery system performance with record heat and new peaks

### Operating Earnings per Share



- (1) See appendix for reconciliation of adjusted (non-GAAP) operating EPS to GAAP EPS  
 (2) Excludes \$0.02% share favorable impact versus normal in 2005 and \$0.05% share unfavorable impact versus normal in 2005, based on Exelon model  
 (3) 5-yr growth rate; calculated using 2000 operating EPS of \$1.93% share as base year  
 (4) Revised 2006 Operating EPS Guidance (\$27.06) from \$3.00 - \$3.30% share

**Operating EPS Guidance for 2006 revised to upper half of original range**

**Exelon**

# Adding Value – Exelon’s Vision

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## our vision

Exelon will be the best electric and gas company in the United States. Working together, we will set the standard of excellence in the eyes of our customers, employees, investors and the communities we serve.

## our goals

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- > Operate at world-class levels of safety, reliability, customer service and efficiency.
- > Achieve competitive advantage through safe nuclear operations and environmental leadership.
- > Create a rewarding and challenging workplace.
- > Deliver superior value to customers and investors through disciplined financial management.

## our values

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### safety

Safety is always our number one priority, for our employees, for our customers and for our communities.

### integrity

We hold ourselves to the highest ethical standards in what we do and what we say.

### customers

Our customers depend on us to keep the lights on and the gas flowing, and we commit to meeting their expectations.

### diversity

We strive for diversity of people, experiences and viewpoints.

### respect

We promote trust and teamwork by communicating openly and honestly with each other and our communities.

### accountability

We live up to our commitments and take responsibility for our actions and results.

### continuous improvement

We set stretch goals, work together to achieve them, measure our accomplishments and learn from the accomplishments of others.

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The Exelon logo features the word "Exelon" in a blue sans-serif font, with a green power symbol (a circle with a vertical line) integrated into the letter "o".

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# Value Driven – Time and Again

**Exelon**<sup>®</sup>

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## Appendix – GAAP EPS Reconciliation

# GAAP EPS Reconciliation 2000-2002

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<b>2000 GAAP Reported EPS</b>	<b>\$1.44</b>
Change in common shares	(0.53)
Extraordinary items	(0.04)
Cumulative effect of accounting change	--
Unicom pre-merger results	0.79
Merger-related costs	0.34
Pro forma merger accounting adjustments	(0.07)
<b>2000 Adjusted (non-GAAP) Operating EPS</b>	<b>\$1.93</b>
<b>2001 GAAP Reported EPS</b>	<b>\$2.21</b>
Cumulative effect of adopting SFAS No. 133	(0.02)
Employee severance costs	0.05
Litigation reserves	0.01
Net loss on investments	0.01
CTC prepayment	(0.01)
Wholesale rate settlement	(0.01)
Settlement of transition bond swap	--
<b>2001 Adjusted (non-GAAP) Operating EPS</b>	<b>\$2.24</b>
<b>2002 GAAP Reported EPS</b>	<b>\$2.22</b>
Cumulative effect of adopting SFAS No. 141 and No. 142	0.35
Gain on sale of investment in AT&T Wireless	(0.18)
Employee severance costs	0.02
<b>2002 Adjusted (non-GAAP) Operating EPS</b>	<b>\$2.41</b>

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# GAAP EPS Reconciliation 2003-2005

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<b>2003 GAAP Reported EPS</b>	<b>\$1.38</b>
Boston Generating impairment	0.87
Charges associated with investment in Sithe Energies, Inc.	0.27
Severance	0.24
Cumulative effect of adopting SFAS No. 143	(0.17)
Property tax accrual reductions	(0.07)
Enterprises' Services goodwill impairment	0.03
Enterprises' impairments due to anticipated sale	0.03
March 3 ComEd Settlement Agreement	0.03
<b>2003 Adjusted (non-GAAP) Operating EPS</b>	<b>\$2.61</b>
<b>2004 GAAP Reported EPS</b>	<b>\$2.78</b>
Charges associated with debt repurchases	0.12
Investments in synthetic fuel-producing facilities	(0.10)
Severance	0.07
Cumulative effect of adopting FIN No. 46-R	(0.05)
Settlement associated with the storage of spent nuclear fuel	(0.04)
Boston Generating 2004 impact	(0.03)
Charges associated with investment in Sithe Energies, Inc.	0.02
Costs related to proposed merger with PSEG	0.01
<b>2004 Adjusted (non-GAAP) Operating EPS</b>	<b>\$2.78</b>
<b>2005 GAAP Reported EPS</b>	<b>\$1.36</b>
Investments in synthetic fuel-producing facilities	(0.10)
Charges related to Exelon's anticipated merger with PSEG	0.03
Impairment of ComEd's goodwill	1.78
2005 financial impact of Generation's investment in Sithe	(0.03)
Cumulative effect of adopting FIN No. 47	0.06
<b>2005 Adjusted (non-GAAP) Operating EPS</b>	<b>\$3.10</b>

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# GAAP EPS Reconciliation 1H 2006/2005

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## Six Months Ended June 30, 2006 and 2005

<b>2005 GAAP Reported EPS</b>	<b>\$1.53</b>
Mark-to-market	(0.03)
Investments in synthetic fuel-producing facilities	(0.07)
Charges associated with Exelon's anticipated merger with PSEG	0.01
2005 financial impact of Generation's investment in Sithe	(0.02)
<b>2005 Adjusted (non-GAAP) Operating EPS</b>	<b>\$1.42</b>
<b>2006 GAAP Reported EPS</b>	<b>\$1.55</b>
Mark-to-market	(0.03)
Investments in synthetic fuel-producing facilities	0.06
Charges associated with Exelon's anticipated merger with PSEG	0.02
Nuclear decommissioning obligation reduction	(0.13)
Severance charges and 2006 financial impact of Generation's prior investment in Sithe	0.01
<b>2006 Adjusted (non-GAAP) Operating EPS</b>	<b>\$1.48</b>

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## 2006 Exelon Earnings Guidance

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Exelon's outlook for 2006 adjusted (non-GAAP) operating earnings excludes the earnings impacts of the following:

- mark-to-market adjustments from non-trading activities
- investments in synthetic fuel-producing facilities
- certain costs associated with the terminated merger with PSEG
- significant impairments of intangible assets, including an impairment of ComEd's goodwill in the third quarter
- significant changes in decommissioning obligation estimates
- certain amounts to be recovered by ComEd as approved in the July 26, 2006 ICC rate order, specifically, previously incurred severance costs and losses on extinguishments of long-term debt
- other unusual items, including any future changes to GAAP

**Exelon**

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## **Additional Reference Materials**

**Merrill Lynch  
Global Power & Gas Leaders Conference  
New York City  
September 27, 2006**

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# Forward-Looking Statements

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# Key Messages

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- ➔ Continued strong financial and operating performance
  - ➔ Uniquely positioned generation business
    - ➔ Changing composition of earnings
      - ➔ Managing the transition to Illinois auctions
        - ➔ Stable growth delivery businesses with improving operations
          - ➔ Plan in place to ensure continued viability of ComEd while protecting Exelon
            - ➔ Strong balance sheet and financial discipline

**Demonstrated ability to deliver on  
our commitments**

**Exelon.**

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# Exelon Overview



2006E Operating Earnings <sup>(1)</sup> :	\$2.1-\$2.2B
2006 EPS Guidance <sup>(1)</sup> :	\$3.15-\$3.30
Assets (12/31/05):	\$42.4B



An Exelon Company



An Exelon Company

*Traditional T&D*

*Illinois  
Utility*

*Pennsylvania  
Utility*

## Customers

Electric:	3.7M	1.5M
Gas:	-	0.5M

**ComEd & PECO each contribute  
~25% of Operating Earnings**



Generation

*Regional Wholesale Energy*

*Nuclear Generation*

*Fossil Generation*

*Power Marketing*

Nuclear Capacity:	16,856 MW
Total Capacity:	33,520 MW <sup>(2)</sup>

**~50% of Operating Earnings**

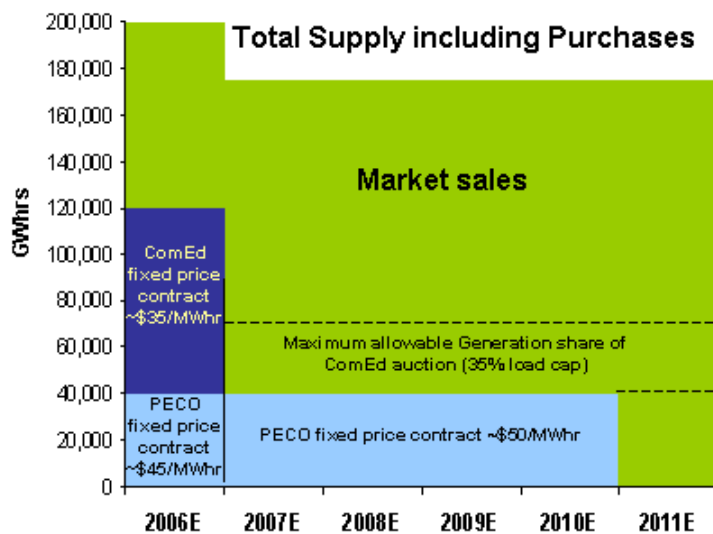
(1) Revised 2006 Operating EPS Guidance (9/27/06) from \$3.00 - \$3.30/share

(2) At 12/31/05; includes long-term contracts and investments in two facilities in Mexico of 230 MWs

Note: See presentation appendix for adjusted (non-GAAP) operating reconciliations to GAAP



# Generation Market Opportunity



Notes: Approximate 25,000 GWhr projected decrease in supply after 2006 reflects a reduction in purchased power. Chart representation for illustrative purposes only.

- Generation currently supplies 100% of ComEd's POLR\* load
- Post-2006, Generation is limited to supplying no more than 35% of ComEd's load through annual auctions
  - Better fit with generation mix than current arrangement where Generation is sole supplier to ComEd
  - Load obligations will be "slice of the system" – suppliers provide capacity, base load, intermediate and peaking energy and ancillary services
  - Excess supply will be sold bi-laterally to other market participants

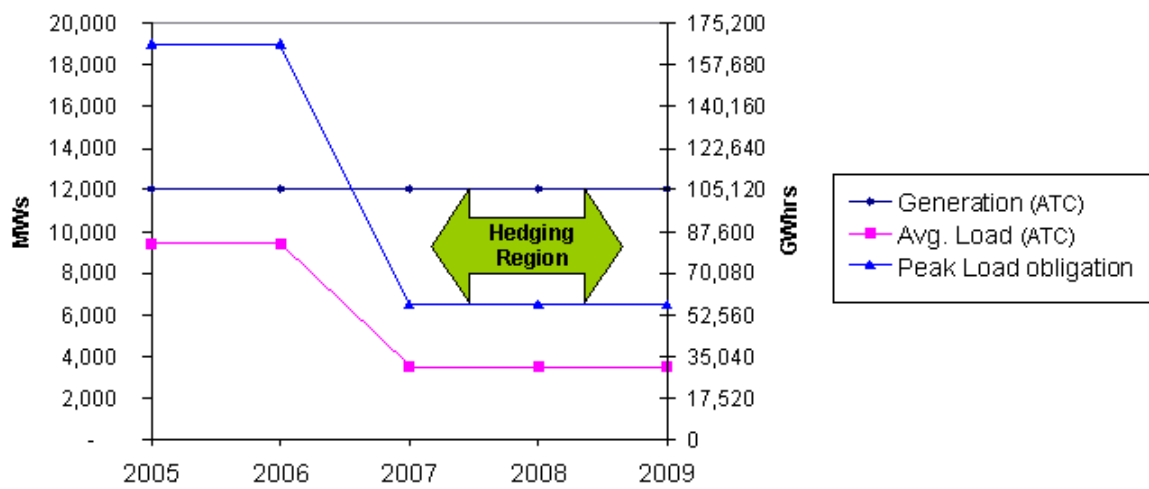
**The upcoming transition to power procurement auctions in Illinois reduces Generation's load-following risk, while allowing it to capture the full market value of its Midwest generation portfolio**

\* POLR = Provider of Last Resort



# Managing the Transition to Power Auctions in IL

Generation and Load - Midwest Portfolio



Note: Assumes 35% participation cap

**The end of the ComEd PPA will allow Generation to better match assets with sales in the most profitable manner**

**Exelon**



## **Energy Delivery's Competitive Position**

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- **Large and growing customer base**
- **Low-risk distribution assets**
- **Improving operations and customer satisfaction**
- **Transitioning out of rate freeze/cap environment**
  - ComEd: end of 2006
  - PECO: end of 2010

# ComEd – Auction Process

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**September 5 – 8, 2006**



- NERA Economic Consulting was the Auction Manager under the oversight of the ICC Staff
- The auction was conducted in rounds for which the Auction Manager announced a price for each product
- Bidders bid for number of tranches they would serve for each product at the announced prices
- Bidders holding final bids when auction closed were the winners

**September 8 – January 2, 2007**



- On 9/12 (within 2 business days of auction close), the Auction Manager and ICC Staff issued confidential reports to the ICC
- On 9/14 (within 5 business days of auction close), the ICC approved the auction for fixed-price customers and decided to investigate the results from the hourly-price component of the auction
- On 9/15 (within 5 business days of auction close), NERA announced clearing prices and winning suppliers
- On 9/20 (within 3 business days from the date the Auction Manager released prices and bidder names), ComEd signed Supplier Forward Contracts with winning suppliers
- On 9/21, ComEd filed compliance tariffs with final retail rates

Next Steps:

- Auction Manager and ICC Staff submit public report with winners and volumes 30 days prior to power delivery (~12/1/06)
- Power flows on 1/1/07
- Rates effective on 1/2/07

**Exelon.**

# ComEd Regulatory Update

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## Distribution Rate Case

- ICC Order provided for \$8M increase, vs. the Administrative Law Judges' (ALJs') Proposed Order of \$164M and ComEd's original request of \$317M
- Due to the ICC Order, ComEd and Exelon will record an after-tax impairment charge of ~\$741M in 3Q06 based on results of ComEd's interim goodwill impairment analysis
- On August 30, ICC voted 5-0 to grant key elements of ComEd's request for rehearing (ICC has 150 days to complete rehearing process)
- Key issues on rehearing
  - Administrative & General Expense: Seeking approval of disallowed costs (\$62M improvement to ICC Order)
  - Pension Asset: Seeking to recover pension expense as if ComEd had funded contribution through debt or, alternatively, to recover pension expense as if contribution had never been made (\$25-\$35M improvement to Order)
  - Common Equity Ratio: Seeking to establish a 46% common equity ratio as recommended in ALJs' Proposed Order, rather than the ICC Order's 42.86% common equity ratio (\$17M improvement to Order)
  - Governmental Consolidated Billing (GCB) Rider: Seeking to either eliminate the Rider or ensure acceptable allocation of annual subsidy (\$116M) to other customers

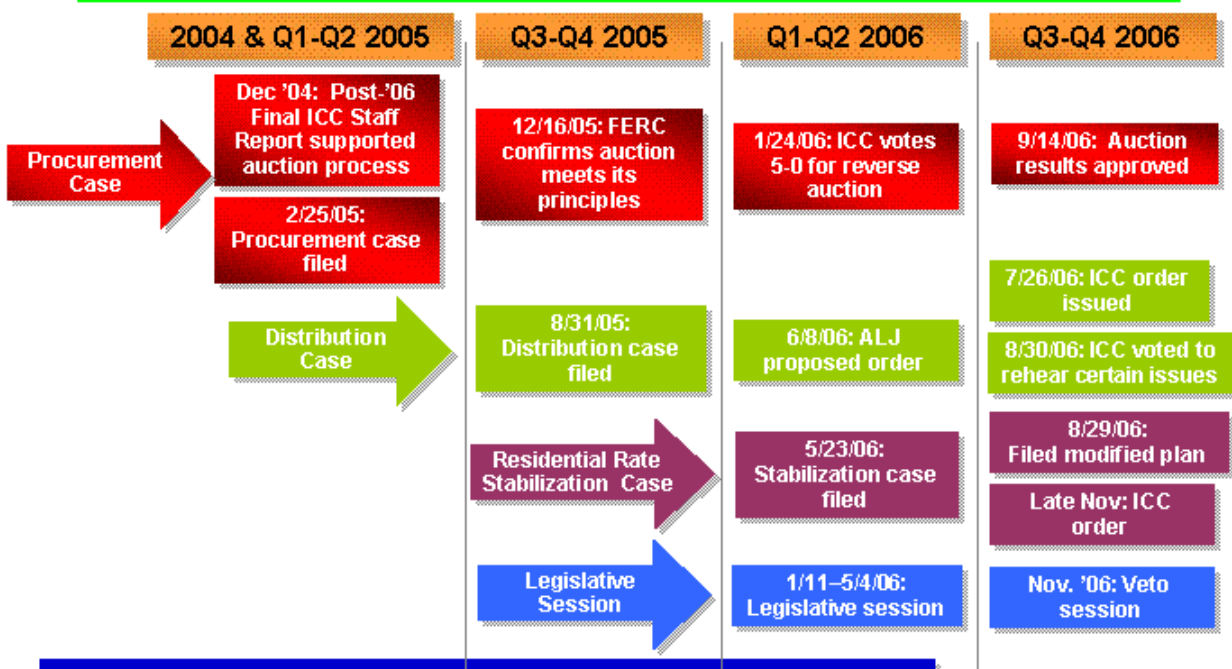
# ComEd Regulatory Update (cont'd)

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## Residential Rate Stabilization Case

- On August 29, ComEd submitted a modified plan that ICC Staff supports:
  - "10/10/10" caps from 2007 to 2009; deferral recovery from 2010 to 2012 with 6.5% annual carrying charge
  - Phase-in plan is optional (residential customers may "opt-in" through August 22, 2007)
  - A similar program at Potomac Electric experienced "opt-in" participation rates of 2-3%. Comparable participation by ComEd customers would yield a de minimis deferral balance estimated to be less than \$15 million
  - ICC decision anticipated late November 2006

# Regulatory Calendar



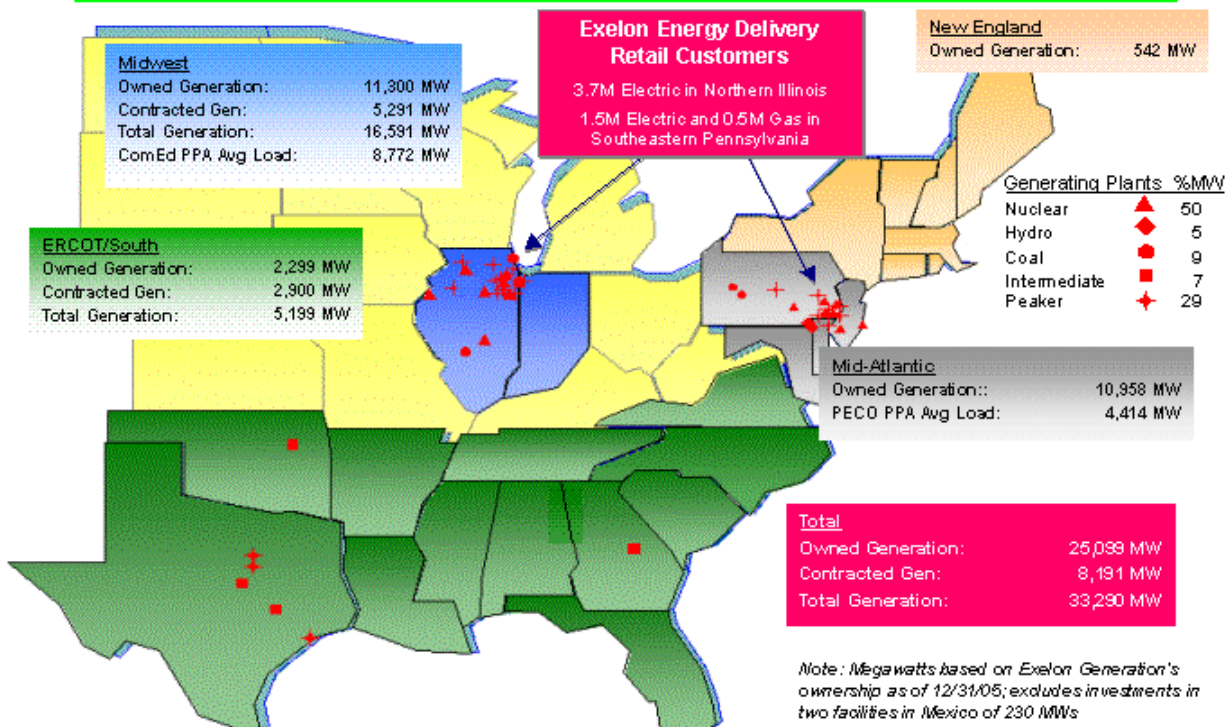
**Rates frozen since 1997 and subsequently reduced 20%. ComEd's mitigation proposal would ease residential customers' transition to cost-based rates. New rates effective January 2, 2007**



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## Appendix – Operational and Financial Statistics

# Our Regional Positions

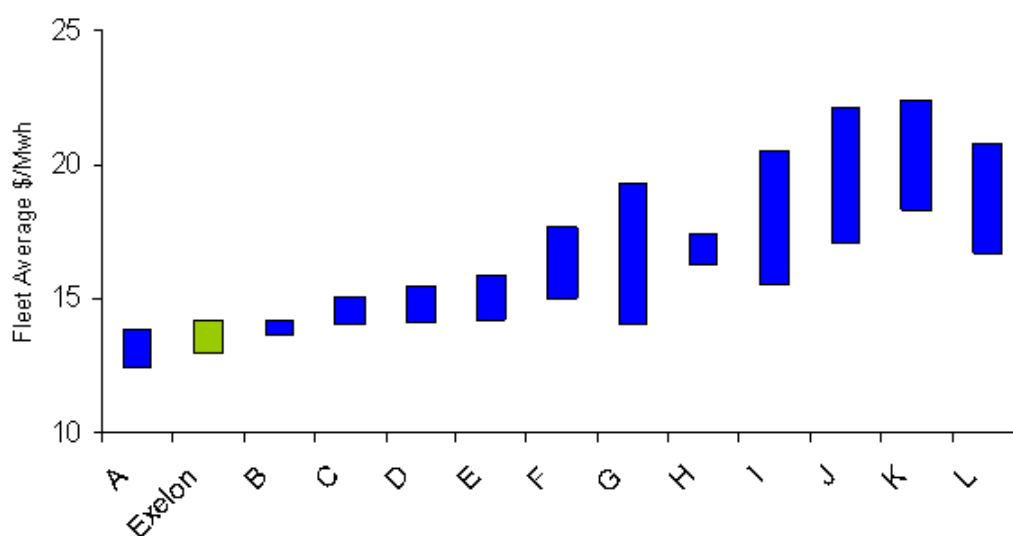


**Exelon is positioned as a multi-regional, baseload producer with merchant activity in the South**



# Exelon Nuclear Performance – Cost Management

Range of Nuclear Production Costs (2001-2005)



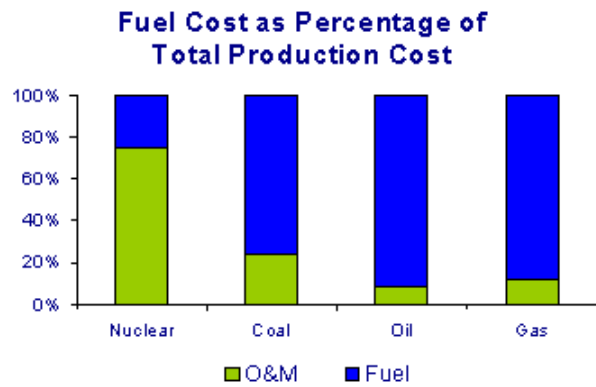
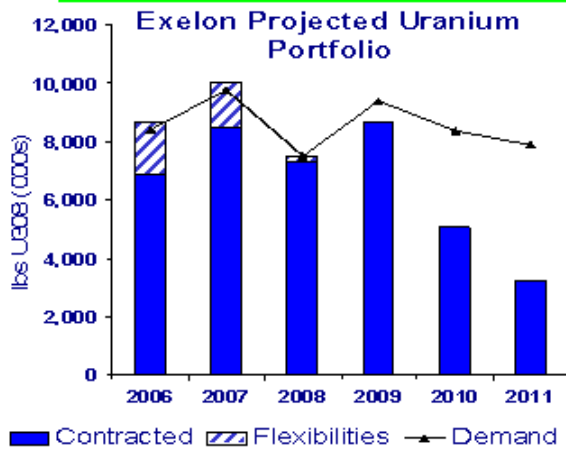
Source: Electric Utility Cost Group

**Exelon Nuclear's production cost is consistently lower than the industry average; YTD cost was \$14/MWh**



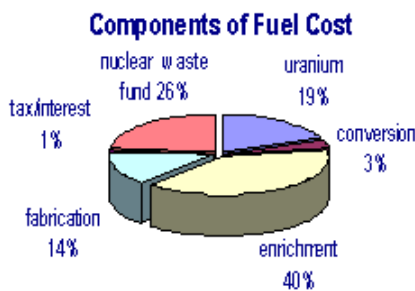


# Nuclear Performance – Fuel Costs



## Uranium market prices have increased, but Exelon is managing its portfolio

- Reduced uranium consumption by 25%
- Contracting strategy protects us from increases through 2008
- Uranium is a small component of total production cost
- Expect long-term prices in \$20-25/lb. range due to new uranium production



**Exelon Nuclear is managing fuel costs**



# Exelon Power Performance - Reliability

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## Targeted capital investment and sound operating fundamentals driving fleet efficiency and reliability

- Market-driven investments in plant improvements that increase unit profitability
- Material condition improvement resulting in improved unit reliability, heat rate and capacity
- Capitalizing on market opportunities through improved operating flexibility and market responsiveness

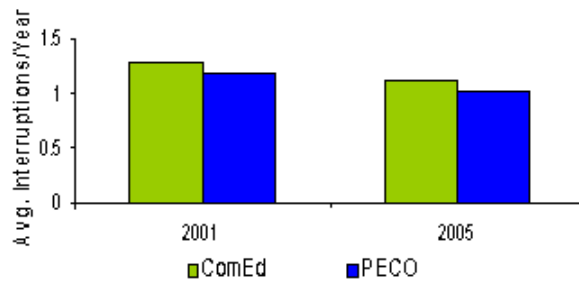
## Application of Management Model has resulted in improved operations

**Exelon Power is well positioned to capitalize on market opportunities**

**Exelon**

# Improved Delivery Service Performance

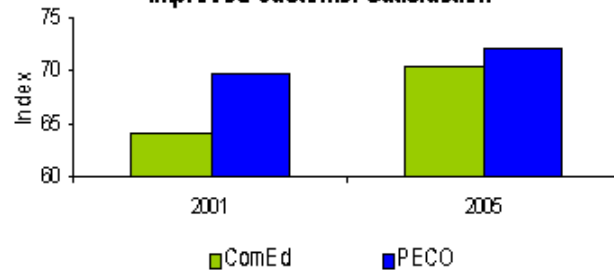
Fewer Interruptions(Frequency)



- Investing in T&D system
- Improving material condition of gas distribution system
- Completing high-impact maintenance

- Creating customer-focused culture
- Enhancing customer outage communications
- “Telling our story” through media outreach
- Achieved five-year high in customer satisfaction at PECO

Improved Customer Satisfaction



**ComEd and PECO initiatives are leading to improved reliability and customer satisfaction**

**Exelon**

## ComEd Rate Case Summary

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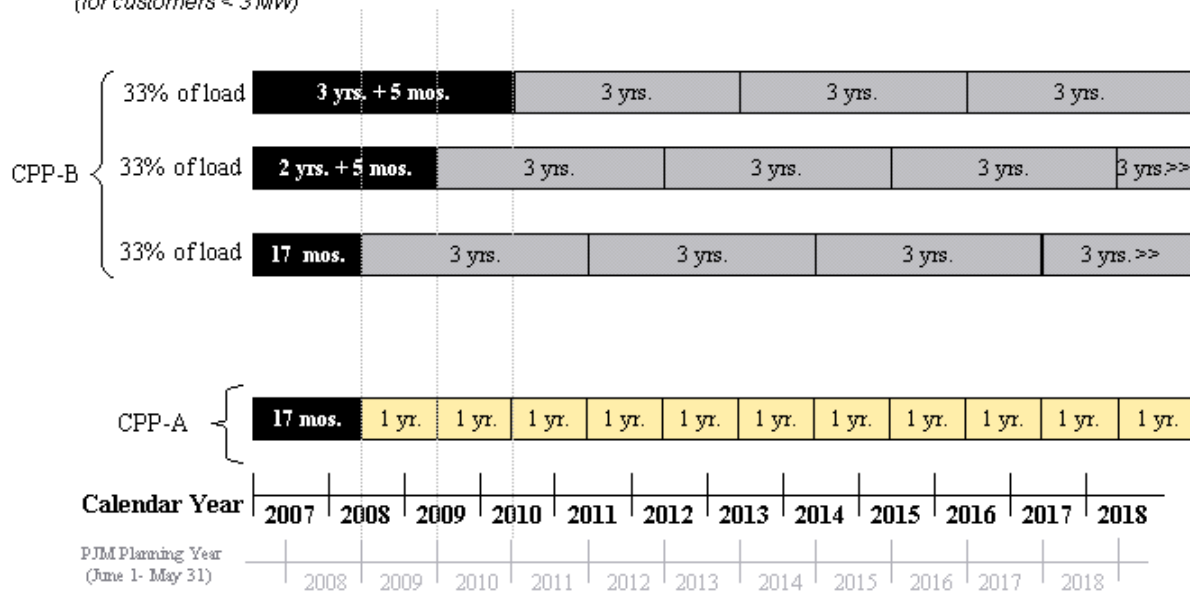
While the Administrative Law Judges' (ALJs) Proposed Order provided for a revenue increase of \$164M compared to ComEd's original request of \$317M, the ICC Order provided for only an \$8M increase

(\$ in millions)	Revenue Requirement	Revenue Increase
Original request	\$1,895	\$317
Final position – ComEd brief	\$1,857	(\$38)
ROE @ 10.045% / Capital Structure @ 42.86% equity	\$1,732	(\$125)
Pension asset	\$1,662	(\$70)
Administrative & General expenses	\$1,601	(\$61)
ComEd incentive compensation	\$1,591	(\$10)
Other ICC adjustments	\$1,586	(\$ 5)
Approved increase in distribution rate revenue		\$8M

# Term Structures for Fixed Price Auctions

## ComEd Energy Procurement Plan

(for customers < 3 MW)

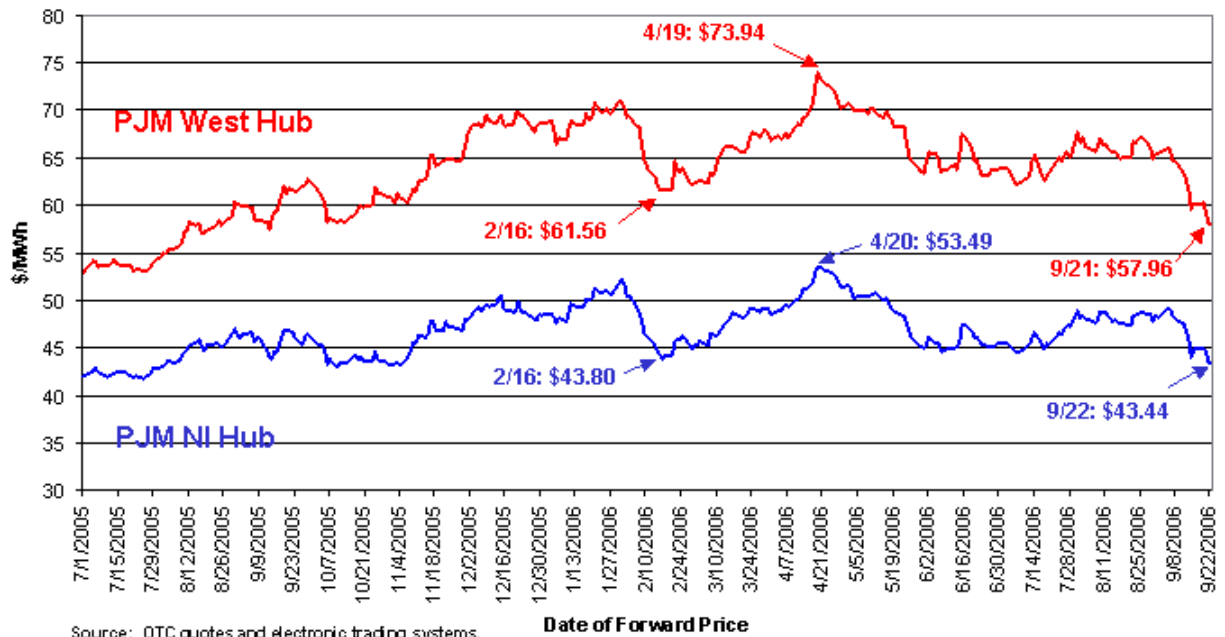


**Transitional contracts shown in black.**

Notes: CPP-A is the auction for the annual fixed price product. It is the default service for customers between 400 kW and 3 MW. CPP-B is the auction for the blended fixed price products (blended 3-year contracts) applicable to residential and small commercial customers below 400 kW.



# 2007 Around-the-Clock Historical Forward Prices



Source: OTC quotes and electronic trading systems.

**As Exelon becomes more of a generation business, wholesale power price movements will have an increasing impact on corporate earnings.**



# Current Market Prices

	Units	2004 <sup>1</sup>	2005 <sup>1</sup>	2006 <sup>5</sup>	2007 <sup>6</sup>	2008 <sup>6</sup>
<u>PRICES (as of September 22, 2006)</u>						
PJM West Hub ATC	(\$/MWh)	42.35 <sup>2</sup>	60.92 <sup>2</sup>	52.35	57.96	58.11
PJM NIHub ATC	(\$/MWh)	30.15 <sup>2</sup>	46.39 <sup>2</sup>	41.19	43.44	44.03
NEPOOL MASS Hub ATC	(\$/MWh)	52.13 <sup>2</sup>	76.65 <sup>2</sup>	60.07	73.73	73.85
ERCOT North On-Peak	(\$/MWh)	49.53 <sup>3</sup>	76.90 <sup>3</sup>	57.71	71.71	72.71
Henry Hub Natural Gas	(\$/MMBTU)	5.85 <sup>4</sup>	8.85 <sup>4</sup>	6.60	7.58	7.81
WTI Crude Oil	(\$/bbl)	41.48 <sup>4</sup>	56.62 <sup>4</sup>	66.62	64.89	66.12
PRB 8800	(\$/Ton)	5.97	8.06	12.87	9.85	11.25
NAPP 3.0	(\$/Ton)	60.25	52.42	43.07	42.63	43.30
<u>ON PEAK HEAT RATES (as of September 22, 2006)</u>						
PJM West Hub / Tetco M3	(MMBTU/MWh)	7.57	7.92	8.71	8.23	8.00
PJM NIHub / Chicago City Gate	(MMBTU/MWh)	7.18	7.29	8.23	7.82	7.58
ERCOT North / Houston Ship Channel	(MMBTU/MWh)	8.68	9.60	9.24	9.97	9.68

1. 2004 and 2005 are actual settled prices.

2. Real Time LMP (Locational Marginal Price)

3. Next day over-the-counter market

4. Average NYMEX settle prices

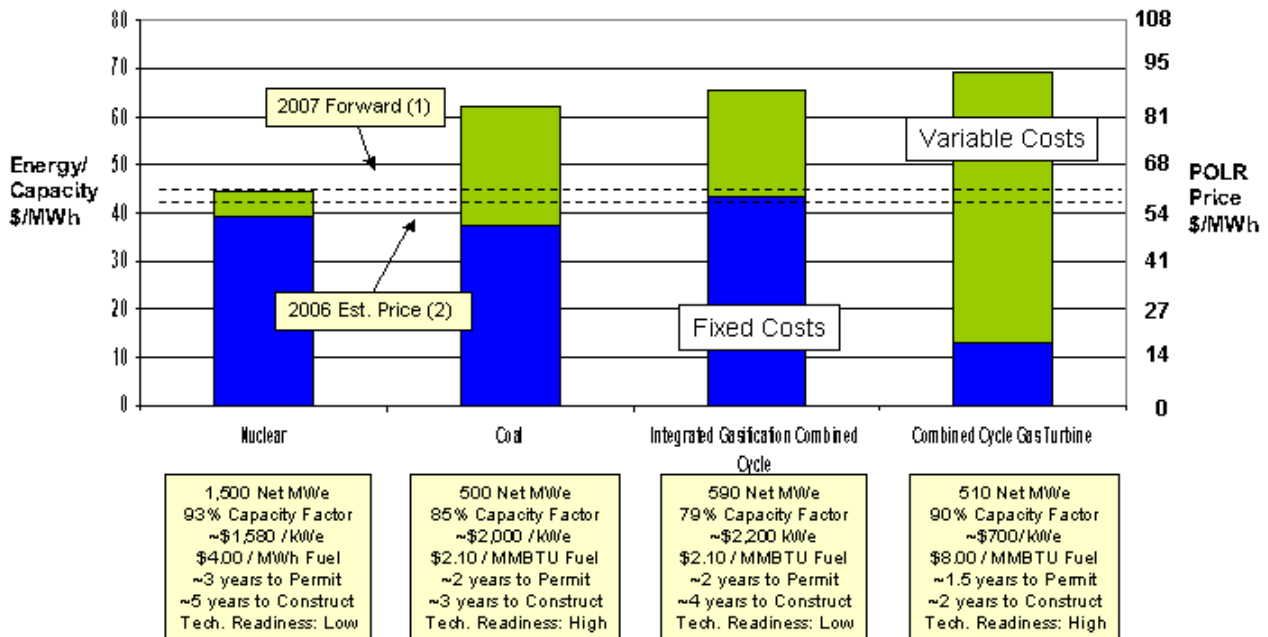
5. 2006 information is a combination of actual prices through September 22, 2006 and market prices for the balance of the year

6. 2007 and 2008 are forward market prices as of September 22, 2006

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# Break-Even Price for New Construction – 2006\$



**Global Assumptions:** Costs exclude carbon capture; 40-year plant life; 9% after-tax weighted avg. cost of capital; 40% tax rate; 3% cost escalation. Fixed costs include fixed O&M, capital and return on capital. Variable costs include variable O&M, fuel and emissions costs. Fuel assumptions are IL #6 (coal) and ComEd City Gate (gas). POLR price assumed to be 1.35 x energy + capacity (equivalent to 1.5 x energy only) for base-loaded plants. (1) PJM NiHub forward for Cal 2007 ATC (\$43.44/MWh on 9/22/06). (2) 2006 estimated price is a combination of actual ATC prices for PJM NiHub through 9/22/06 and market prices for the balance of the year (\$41.19/MWh).



# Projected 2006 Key Credit Measures

<b>(Stand-alone)</b>			<b>S&amp;P Credit Ratings<sup>(1)</sup></b>	<b>"A" Target Range<sup>(2)</sup></b>
<b>Exelon Consolidated:</b>	FFO / Interest	5.6x	BBB	4.5x – 6.5x
	FFO / Debt	27%		30% – 45%
	Debt Ratio	53% <sup>(3)</sup>		
<b>Generation:</b>	FFO / Interest	11.2x	BBB+	5.5x – 7.5x
	FFO / Debt	77%		40% – 55%
	Debt Ratio	35%		
<b>ComEd:</b>	FFO / Interest	3.8x	A-	3.5x – 4.2x
	FFO / Debt	17%		20% – 28%
	Debt Ratio	39% <sup>(3)</sup>		
<b>PECO:</b>	FFO / Interest	5.5x	A-	3.5x – 4.2x
	FFO / Debt	19%		20% – 28%
	Debt Ratio	52%		

## Exelon's Balance Sheet is strong

Notes: Exelon consolidated, ComEd and PECO metrics exclude securitization debt. See last page of Appendix for FFO (Funds from Operations)/Interest and and FFO/Debt reconciliations to GAAP.

<sup>(1)</sup> Senior unsecured ratings for Exelon and Generation and senior secured ratings for ComEd and PECO; <sup>(2)</sup> Based on S&P Business Profiles 7, 8 and 4 for Exelon, Generation, and ComEd and PECO, respectively; <sup>(3)</sup> Reflects \$0.7 billion ComEd goodwill write off in 2006



# GAAP EPS Reconciliation 2000-2002

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<b>2000 GAAP Reported EPS</b>	<b>\$1.44</b>
Change in common shares	(0.53)
Extraordinary items	(0.04)
Cumulative effect of accounting change	--
Unicom pre-merger results	0.79
Merger-related costs	0.34
Pro forma merger accounting adjustments	(0.07)
<b>2000 Adjusted (non-GAAP) Operating EPS</b>	<b>\$1.93</b>
<b>2001 GAAP Reported EPS</b>	<b>\$2.21</b>
Cumulative effect of adopting SFAS No. 133	(0.02)
Employee severance costs	0.05
Litigation reserves	0.01
Net loss on investments	0.01
CTC prepayment	(0.01)
Wholesale rate settlement	(0.01)
Settlement of transition bond swap	--
<b>2001 Adjusted (non-GAAP) Operating EPS</b>	<b>\$2.24</b>
<b>2002 GAAP Reported EPS</b>	<b>\$2.22</b>
Cumulative effect of adopting SFAS No. 141 and No. 142	0.35
Gain on sale of investment in AT&T Wireless	(0.18)
Employee severance costs	0.02
<b>2002 Adjusted (non-GAAP) Operating EPS</b>	<b>\$2.41</b>

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# GAAP EPS Reconciliation 2003-2005

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<b>2003 GAAP Reported EPS</b>	<b>\$1.38</b>
Boston Generating impairment	0.87
Charges associated with investment in Sithe Energies, Inc.	0.27
Severance	0.24
Cumulative effect of adopting SFAS No. 143	(0.17)
Property tax accrual reductions	(0.07)
Enterprises' Services goodwill impairment	0.03
Enterprises' impairments due to anticipated sale	0.03
March 3 ComEd Settlement Agreement	0.03
<b>2003 Adjusted (non-GAAP) Operating EPS</b>	<b>\$2.61</b>
<b>2004 GAAP Reported EPS</b>	<b>\$2.78</b>
Charges associated with debt repurchases	0.12
Investments in synthetic fuel-producing facilities	(0.10)
Severance	0.07
Cumulative effect of adopting FIN No. 46-R	(0.05)
Settlement associated with the storage of spent nuclear fuel	(0.04)
Boston Generating 2004 impact	(0.03)
Charges associated with investment in Sithe Energies, Inc.	0.02
Costs related to proposed merger with PSEG	0.01
<b>2004 Adjusted (non-GAAP) Operating EPS</b>	<b>\$2.78</b>
<b>2005 GAAP Reported EPS</b>	<b>\$1.36</b>
Investments in synthetic fuel-producing facilities	(0.10)
Charges related to Exelon's anticipated merger with PSEG	0.03
Impairment of ComEd's goodwill	1.78
2005 financial impact of Generation's investment in Sithe	(0.03)
Cumulative effect of adopting FIN No. 47	0.06
<b>2005 Adjusted (non-GAAP) Operating EPS</b>	<b>\$3.10</b>

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# GAAP EPS Reconciliation 1H 2006/2005

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## Six Months Ended June 30, 2006 and 2005

<b>2005 GAAP Reported EPS</b>	<b>\$1.53</b>
Mark-to-market	(0.03)
Investments in synthetic fuel-producing facilities	(0.07)
Charges associated with Exelon's anticipated merger with PSEG	0.01
2005 financial impact of Generation's investment in Sithe	(0.02)
<b>2005 Adjusted (non-GAAP) Operating EPS</b>	<b>\$1.42</b>
<b>2006 GAAP Reported EPS</b>	<b>\$1.55</b>
Mark-to-market	(0.03)
Investments in synthetic fuel-producing facilities	0.06
Charges associated with Exelon's anticipated merger with PSEG	0.02
Nuclear decommissioning obligation reduction	(0.13)
Severance charges and 2006 financial impact of Generation's prior investment in Sithe	0.01
<b>2006 Adjusted (non-GAAP) Operating EPS</b>	<b>\$1.48</b>

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## 2006 Exelon Earnings Guidance

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Exelon's outlook for 2006 adjusted (non-GAAP) operating earnings excludes the earnings impacts of the following:

- mark-to-market adjustments from non-trading activities
- investments in synthetic fuel-producing facilities
- certain costs associated with the terminated merger with PSEG
- significant impairments of intangible assets, including an impairment of ComEd's goodwill in the third quarter
- significant changes in decommissioning obligation estimates
- certain amounts to be recovered by ComEd as approved in the July 26, 2006 ICC rate order, specifically, previously incurred severance costs and losses on extinguishments of long-term debt
- other unusual items, including any future changes to GAAP

# FFO Calculation and Ratios

FFO Calculation	FFO Interest Coverage
Net Income Add back non-cash items: + Depreciation, amortization (including nuclear fuel amortization), AFUDC/Cap Int + Change in Deferred Taxes + Gain on Sale and Extraordinary Items + Trust-Preferred Interest Expense - Transition Bond Principal Paydown = FFO	$\frac{\text{FFO} + \text{Adjusted Interest}}{\text{Adjusted Interest}}$ Net Interest Expense (Before AFUDC & Cap Interest) - Trust-Preferred Interest Expense - Transition Bond Interest Expense + 10% of PV of Operating Leases = Adjusted Interest
FFO Debt Coverage	Debt to Total Cap
$\frac{\text{FFO}}{\text{Adjusted Average Debt (1)}}$ Debt: LTD STD - Transition Bond Principal Balance Add debt equivalents: + A/R Financing + PV of Operating Leases = Adjusted Debt (1) Use average of prior year and current year adjusted debt balance	$\frac{\text{Adjusted Book Debt}}{\text{Total Adjusted Capitalization}}$ Debt: LTD STD - Transition Bond Principal Balance Adjusted Book Debt Capitalization: Total Shareholders' Equity Preferred Securities of Subsidiaries Adjusted Book Debt = Total Adjusted Capitalization

Note: FFO and Debt related to non-recourse debt are excluded from the calculations.