# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

## FORM 8-K

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

**February 7, 2018**

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

| Commission File Number | Exact Name of Registrant as Specified in Its Charter; State of Incorporation; Address of Principal Executive Offices; and Telephone Number | IRS Employer Identification Number |
|---|---|---|
| 1-16169 | **EXELON CORPORATION**<br>**(a Pennsylvania corporation)**<br>10 South Dearborn Street<br>P.O. Box 805379<br>Chicago, Illinois 60680-5379<br>(800) 483-3220 | 23-2990190 |
| 333-85496 | **EXELON GENERATION COMPANY, LLC**<br>**(a Pennsylvania limited liability company)**<br>300 Exelon Way<br>Kennett Square, Pennsylvania 19348-2473<br>(610) 765-5959 | 23-3064219 |
| 1-1839 | **COMMONWEALTH EDISON COMPANY**<br>**(an Illinois corporation)**<br>440 South LaSalle Street<br>Chicago, Illinois 60605-1028<br>(312) 394-4321 | 36-0938600 |
| 000-16844 | **PECO ENERGY COMPANY**<br>**(a Pennsylvania corporation)**<br>P.O. Box 8699<br>2301 Market Street<br>Philadelphia, Pennsylvania 19101-8699<br>(215) 841-4000 | 23-0970240 |
| 1-1910 | **BALTIMORE GAS AND ELECTRIC COMPANY**<br>**(a Maryland corporation)**<br>2 Center Plaza<br>110 West Fayette Street<br>Baltimore, Maryland 21201<br>(410) 234-5000 | 52-0280210 |
| 001-31403 | **PEPCO HOLDINGS LLC**<br>**(a Delaware limited liability company)**<br>701 Ninth Street, N.W.<br>Washington, District of Columbia 20068<br>(202) 872-2000 | 52-2297449 |
| 001-01072 | **POTOMAC ELECTRIC POWER COMPANY**<br>**(a District of Columbia and Virginia corporation)**<br>701 Ninth Street, N.W.<br>Washington, District of Columbia 20068<br>(202) 872-2000 | 53-0127880 |

| | | |
|---|---|---|
| 001-01405 | **DELMARVA POWER & LIGHT COMPANY**<br>**(a Delaware and Virginia corporation)**<br>500 North Wakefield Drive<br>Newark, Delaware 19702<br>(202) 872-2000 | 51-0084283 |
| 001-03559 | **ATLANTIC CITY ELECTRIC COMPANY**<br>**(a New Jersey corporation)**<br>500 North Wakefield Drive<br>Newark, Delaware 19702<br>(202) 872-2000 | 21-0398280 |

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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))

Indicate by check mark whether any of the registrants are emerging growth companies as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if any of the registrants have elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Section 2 - Financial Information**
**Item 2.02. Results of Operations and Financial Condition.**
**Section 7 - Regulation FD**
**Item 7.01. Regulation FD Disclosure.**

On February 7, 2018, Exelon Corporation (Exelon) announced via press release its results for the fourth quarter ended December 31, 2017. A copy of the press release and related attachments is attached hereto as Exhibit 99.1. Also attached as Exhibit 99.2 to this Current Report on Form 8-K are the presentation slides to be used at the fourth quarter 2017 earnings conference call. This Form 8-K and the attached exhibits are provided under Items 2.02, 7.01 and 9.01 of Form 8-K and are furnished to, but not filed with, the Securities and Exchange Commission.

Exelon has scheduled the conference call for 9:00 AM CT (10:00 AM ET) on February 7, 2018. The call-in number in the U.S. and Canada is 800-690-3108, and the international call-in number is 973-935-8753. If requested, the conference ID number is 7880379. Media representatives are invited to participate on a listen-only basis. The call will be web-cast and archived on Exelon's Web site: www.exeloncorp.com. (Please select the Investors page.)

Telephone replays will be available until February 21, 2018. The U.S. and Canada call-in number for replays is 855-859-2056, and the international call-in number is 404-537-3406. The conference ID number is 7880379.

**Section 9 - Financial Statements and Exhibits**
**Item 9.01. Financial Statements and Exhibits**

*(d) Exhibits.*

| Exhibit No. | Description |
|---|---|
| 99.1 | Press release and earnings release attachments |
| 99.2 | Earnings conference call presentation slides |
| 99.3 | Infographic |

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This combined Current Report on Form 8-K is being furnished separately by Exelon, Exelon Generation Company, LLC, Commonwealth Edison Company, PECO Energy Company, Baltimore Gas and Electric Company, Pepco Holdings LLC (PHI), Potomac Electric Power Company, Delmarva Power & Light Company, and Atlantic City Electric Company (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.

This report contains certain 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 Exelon Corporation, Exelon Generation Company, LLC, Commonwealth Edison Company, PECO Energy Company, Baltimore Gas and Electric Company, Pepco Holdings LLC, Potomac Electric Power Company, Delmarva Power & Light Company, and Atlantic City Electric Company (Registrants) include those factors discussed herein, as well as the items discussed in (1) the Registrants' 2016 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 24, Commitments and Contingencies; (2) the Registrants' Third Quarter 2017 Quarterly Report on Form 10-Q in (a) Part II, Other Information, ITEM 1A. Risk Factors; (b) Part 1, Financial Information, ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, Financial Information, ITEM 1. Financial Statements: Note 18, Commitments and Contingencies; and (3) 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.

## SIGNATURES

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

**EXELON CORPORATION**

/s/ Jonathan W. Thayer

Jonathan W. Thayer
Senior Executive Vice President and Chief Financial Officer
Exelon Corporation

**EXELON GENERATION COMPANY, LLC**

/s/ Bryan P. Wright

Bryan P. Wright
Senior Vice President and Chief Financial Officer
Exelon Generation Company, LLC

**COMMONWEALTH EDISON COMPANY**

/s/ Joseph R. Trpik, Jr.

Joseph R. Trpik, Jr.
Senior Vice President, Chief Financial Officer and Treasurer
Commonwealth Edison Company

**PECO ENERGY COMPANY**

/s/ Phillip S. Barnett

Phillip S. Barnett
Senior Vice President, Chief Financial Officer and Treasurer
PECO Energy Company

**BALTIMORE GAS AND ELECTRIC COMPANY**

/s/ David M. Vahos

David M. Vahos
Senior Vice President, Chief Financial Officer and Treasurer
Baltimore Gas and Electric Company

**PEPCO HOLDINGS LLC**

/s/ Donna J. Kinzel

Donna J. Kinzel
Senior Vice President, Chief Financial Officer and Treasurer
Pepco Holdings LLC

**POTOMAC ELECTRIC POWER COMPANY**

/s/ Donna J. Kinzel

Donna J. Kinzel
Senior Vice President, Chief Financial Officer and Treasurer
Potomac Electric Power Company

**DELMARVA POWER & LIGHT COMPANY**

/s/ Donna J. Kinzel

Donna J. Kinzel
Senior Vice President, Chief Financial Officer and Treasurer
Delmarva Power & Light Company

**ATLANTIC CITY ELECTRIC COMPANY**

/s/ Donna J. Kinzel

Donna J. Kinzel
Senior Vice President, Chief Financial Officer and Treasurer
Atlantic City Electric Company

February 7, 2018

## EXHIBIT INDEX

| Exhibit No. | Description |
|---|---|
| 99.1 | Press release and earnings release attachments |
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| 99.3 | Infographic |

**Contact:** Dan Eggers
Investor Relations
312-394-2345

Paul Adams
Corporate Communications
410-470-4167

# EXELON REPORTS FOURTH QUARTER AND FULL YEAR 2017 RESULTS AND INITIATES 2018 FINANCIAL OUTLOOK

- Exelon reported GAAP Net Income of $1.94 per share and $3.97 per share for the fourth quarter and full year 2017, respectively, and Adjusted (non-GAAP) Operating Earnings of $0.55 per share and $2.60 per share for the fourth quarter and full year 2017, respectively.
- Exelon introduces a 2018 Adjusted (non-GAAP) Operating Earnings guidance range of $2.90 - $3.20 per share, reflecting growth in Utilities, full year recognition of both Illinois and New York ZEC revenue and the impact of tax reform.
- Exelon's Board of Directors increased the annual dividend growth rate to 5 percent from 2.5 percent, effective in the first quarter of 2018.
- Exelon Utilities project capital expenditures of $21 billion over the next 4 years to improve service and benefit customers, supporting over 7 percent annual rate base growth.
- Exelon Generation projects free cash flow before growth capex of $7.6 billion over the next 4 years, supporting Exelon's priorities of Utility reinvestment and debt reduction.
- Quad Cities Units 1 & 2 and Clinton Unit 1 were winning bidders in Illinois ZEC procurement.

**CHICAGO (February 7, 2018) —** Exelon Corporation (NYSE: EXC) today reported its financial results for the fourth quarter and full year 2017.

"Exelon had a strong 2017, with our utilities turning in first-quartile and in several cases best-ever performance in reliability and customer service, and our nuclear generation fleet producing the most power on record, all thanks to the great work of our people, who also set company records for volunteerism and charitable giving," said Christopher M. Crane, Exelon's president and CEO. "We will build on this momentum in 2018 with our new dividend growth rate of 5 percent annually over the next three years, tax reform that will benefit utility customers and reduce tax expenses at Generation, and movement on needed power price formation changes in PJM and broader resiliency reviews at FERC."

"In 2017, Exelon delivered solid financial performance with $2.60 of Adjusted (non-GAAP) Operating Earnings, which is within our range," said Jonathan W. Thayer, Exelon's Senior Executive Vice President and CFO. "We are introducing 2018 operating earnings guidance of $2.90 - $3.20 per share which incorporates the benefits of U.S. tax reform, strong utility growth, a full-year of ZEC programs in New York and Illinois, and recognition of Illinois ZEC revenue from 2017."

**Fourth Quarter 2017**

Exelon's GAAP Net Income for the fourth quarter 2017 increased to $1.94 per share from $0.22 per share in the fourth quarter of 2016; Adjusted (non-GAAP) Operating Earnings increased to $0.55 per share in the fourth quarter of 2017 from $0.44 per share in the fourth quarter of 2016. For the reconciliations of GAAP Net Income to Adjusted (non-GAAP) Operating Earnings, refer to the tables beginning on page 9.

Adjusted (non-GAAP) Operating Earnings in the fourth quarter of 2017 reflect higher utility earnings due to regulatory rate increases and weather, partially offset by a 2017 impairment of certain transmission-related income tax regulatory assets; and, at Generation, New York ZEC revenue and higher capacity prices, partially offset by lower realized energy prices.

**Full Year 2017**

For the full year 2017, Exelon's GAAP Net Income increased to $3.97 per share from $1.22 per share in 2016. Exelon's Adjusted (non-GAAP) Operating Earnings for 2017 decreased to $2.60 per share from $2.68 per share in 2016.

Adjusted (non-GAAP) Operating Earnings for the full year 2017 reflect higher utility earnings due to regulatory rate increases, partially offset by weather and a 2017 impairment of certain transmission-related income tax regulatory assets; and, at Generation, lower realized energy prices, the impacts of lower load volumes delivered due to mild weather in the third quarter 2017, the conclusion of the Ginna RSSA and the impact of declining natural gas prices on Generation's natural gas portfolio, partially offset by New York ZEC revenue and higher capacity prices.

**Operating Company Results[1]**

*ComEd[2]*

ComEd's fourth quarter 2017 GAAP Net Income was $120 million compared with $80 million in the fourth quarter of 2016. ComEd's Adjusted (non-GAAP) Operating Earnings for the fourth quarter 2017 were $123 million compared with $81 million in the fourth quarter of 2016, primarily reflecting higher electric distribution and transmission formula rate earnings.

*PECO*

PECO's fourth quarter 2017 GAAP Net Income was $107 million compared with $92 million in the fourth quarter of 2016. PECO's fourth quarter 2017 Adjusted (non-GAAP) Operating Earnings of $95 million remained relatively consistent with fourth quarter 2016 Adjusted (non-GAAP) Operating Earnings of $94 million.

Heating degree days were up 6.1 percent relative to the same period in 2016 and were 7.2 percent below normal. Total retail electric deliveries were up 3.4 percent compared with the fourth quarter of 2016. Natural gas deliveries (including both retail and transportation segments) in the fourth quarter of 2017 were up 9.0 percent compared with the same period in 2016.

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[1]Exelon's five business units include ComEd, which consists of electricity transmission and distribution operations in northern Illinois; PECO, which consists of electricity transmission and distribution operations and retail natural gas distribution operations in southeastern Pennsylvania; BGE, which consists of electricity transmission and distribution operations and retail natural gas distribution operations in central Maryland; PHI, which consists of electricity transmission and distribution operations in the District of Columbia and portions of Maryland, Delaware, and New Jersey and retail natural gas distribution operations in northern Delaware; and Generation, which consists of owned and contracted electric generating facilities and wholesale and retail customer supply of electric and natural gas products and services, including renewable energy products and risk management services.
[2]For BGE, Pepco and DPL Maryland and beginning in 2017 for ComEd, customer rates are adjusted to eliminate the impacts of weather and customer usage on distribution volumes.

*BGE*[2]

BGE’s fourth quarter 2017 GAAP Net Income was $76 million compared with $103 million in the fourth quarter of 2016. BGE’s Adjusted (non-GAAP) Operating Earnings for the fourth quarter 2017 were $82 million compared with $105 million in the fourth quarter of 2016, primarily due to a favorable 2016 settlement of a Baltimore City conduit fee dispute and a 2017 impairment of certain transmission-related income tax regulatory assets.

*PHI*[2]

PHI’s fourth quarter 2017 GAAP Net Income was $4 million compared with $30 million in the fourth quarter of 2016. PHI’s Adjusted (non-GAAP) Operating Earnings for the fourth quarter 2017 were $48 million compared with $42 million in the fourth quarter of 2016, primarily due to regulatory rate increases, partially offset by a 2017 impairment of certain transmission-related income tax regulatory assets.

*Generation*

Generation's fourth quarter 2017 GAAP Net Income was $2,215 million compared with a GAAP Net Loss of $41 million in the fourth quarter of 2016. Generation’s Adjusted (non-GAAP) Operating Earnings for the fourth quarter 2017 were $252 million compared with $162 million in the fourth quarter of 2016, primarily reflecting New York ZEC revenue and higher capacity prices, partially offset by lower realized energy prices.

The proportion of expected generation hedged as of Dec. 31, 2017, was 85.0 percent to 88.0 percent for 2018, 55.0 percent to 58.0 percent for 2019 and 26.0 percent to 29.0 percent for 2020.

**Initiates Annual Guidance for 2018**

Exelon introduced a guidance range for 2018 Adjusted (non-GAAP) Operating Earnings of $2.90 to $3.20 per share. Adjusted (non-GAAP) Operating Earnings guidance is based on the assumption of normal weather, which is determined based on historical average heating and cooling degree days for a 30-year period in the respective utilities' service territories, except at PHI, where a 20-year period is used. The outlook for 2018 Adjusted (non-GAAP) Operating Earnings for Exelon and its subsidiaries excludes the following items:

- Mark-to-market adjustments from economic hedging activities;
- Unrealized gains and losses from NDT fund investments to the extent not offset by contractual accounting as described in the notes to the consolidated financial statements;
- Non-cash amortization of intangible assets, net related to commodity contracts recorded at the date of the acquisition of ConEdison Solutions in 2016 and FitzPatrick in 2017;
- Certain costs incurred related to the PHI and FitzPatrick acquisitions;
- Certain costs incurred related to plant retirements;
- Certain costs incurred to achieve cost management program savings;
- Other unusual items;
- Generation's noncontrolling interest related to CENG exclusion items; and
- One-time impacts of adopting new accounting standards.

[2]For BGE, Pepco and DPL Maryland and beginning in 2017 for ComEd, customer rates are adjusted to eliminate the impacts of weather and customer usage on distribution volumes.

**Recent Developments**

- **Dividend Policy Update:** On Jan. 30, 2018, the Board of Directors of Exelon announced an updated dividend policy targeting 5 percent annual dividend growth for the period covering 2018 through 2020. Since the last dividend policy of 2.5 percent annual growth was implemented in 2016, Exelon’s business position has continued to strengthen. The company has generated more earnings from regulated utilities following the PHI acquisition, recognized greater stability for its generation fleet with the Illinois and New York ZEC programs, and continued to focus on cost management and prudent balance sheet oversight. As a result of the strengthened outlook on earnings, Exelon is sharing the financial success with its shareholders through this updated dividend policy.

- **Utility Capex and Rate Base Update:** Exelon Utilities plan to invest nearly $21 billion of capital to ensure reliable, more resilient and more efficient transmission and distribution of electricity and gas for our customers. The increased capital investments and impacts of tax reform are expected to drive annual rate base growth of 7.4 percent through 2021, exceeding the 6.5 percent growth expectations for 2017-2020 projected a year ago.

- **Generation and Free Cash Flow Outlook:** Cumulatively from 2018 through 2021, Generation projects $7.6 billion of free cash flow before growth capex, which is $0.8 billion higher than the prior 4-year outlook from 2017 through 2020. This financial outlook accounts for the latest power price forwards, updated gross margins at Constellation, continued efforts to reduce O&M cost and capital expenditures, the planned closure of Three Mile Island and Oyster Creek, and the impact of tax reform.

- **Exelon Nuclear Plants Selected in Illinois ZEC Procurement Event:** On Jan. 25, 2018, the ICC announced that Clinton Unit 1 and Quad Cities Units 1 & 2 were winning bidders through the Illinois Power Agency's ZEC procurement event, which entitles them to compensation for the sale of ZECs. Generation executed the ZEC procurement contracts with Illinois utilities, including ComEd, effective January 26, 2018, and will begin recognizing revenue. In addition to recognizing ZEC revenue generated in the first quarter of 2018, Generation will also recognize ZEC revenue retroactive to June 1, 2017, which will contribute approximately $0.11 to Adjusted (non-GAAP) Operating Earnings. The $0.11 contribution to Adjusted (non-GAAP) Operating Earnings is higher than the $0.09 originally expected in 2017 due to the lower tax rate in 2018 at Generation as a result of the Tax Cuts and Jobs Act (TCJA).

- **Early Retirement of Oyster Creek Nuclear Facility:** On Feb. 2, 2018, Generation announced that it will permanently cease generation operations at Oyster Creek Generating Station (Oyster Creek) at the end of its current operating cycle in October 2018. In 2010, Generation announced that Oyster Creek would retire by the end of 2019 as part of an agreement with the State of New Jersey to avoid significant costs associated with the construction of cooling towers to meet the State’s then new environmental regulations. Since then, like other nuclear sites, Oyster Creek has continued to face rising operating costs amid a historically low wholesale power price environment. The decision to retire Oyster Creek in 2018 at the end of its current operating cycle involved consideration of several factors, including economics and operating efficiencies, and avoids a refueling outage scheduled for the fall of 2018 that would have required advanced purchasing of fuel fabrication and materials beginning in late February 2018. Because of the decision to retire Oyster Creek in 2018, Generation will recognize certain one-time charges in the first quarter of 2018 ranging from an estimated $25 million to $35 million (pre-tax) related to a materials and supplies inventory reserve adjustment, employee-related costs, and construction work-in-progress impairment, among other items. The aforementioned one-time charges will be excluded from GAAP Net Income to arrive at Adjusted (non-GAAP) Operating Earnings in the first quarter 2018.

- **DOE Notice of Proposed Rulemaking:** On Aug. 23, 2017, the United States Department of Energy (DOE) released its report on the reliability of the electric grid. One aspect of the wide-ranging report is the DOE's recognition that the electricity markets do not currently value the resiliency provided by baseload generation, such as nuclear plants. On Sept. 28, 2017, the DOE issued a Notice of Proposed Rulemaking (NOPR) that would entitle certain eligible resilient generating units (i.e., those located in organized markets, with a 90-day supply of fuel on site, not already subject to state cost of service regulation and satisfying certain other requirements) to recover fully allocated costs and earn a fair return on equity on their investment. On Jan. 8, 2018, the FERC issued an order terminating the rulemaking docket that was initiated to address the proposed rule in the DOE NOPR, concluding the proposed rule did not sufficiently demonstrate there is a resiliency issue and that it proposed a remedy that did not appear to be just, reasonable and nondiscriminatory as required under the Federal Power Act. At the same time, the FERC initiated a new proceeding to consider resiliency challenges to the bulk power system and evaluate whether additional FERC action to address resiliency would be appropriate. Exelon has been and will continue to be an active participant in these proceedings, but cannot predict the final outcome or its potential impact, if any, on Exelon or Generation.

**Fourth Quarter Highlights**

- **Corporate Tax Reform:** On Dec. 22, 2017, President Trump signed into law the TCJA. The Registrants remeasured their existing deferred income tax balances as of Dec. 31, 2017, to reflect the decrease in the corporate income tax rate from 35 percent to 21 percent, which resulted in a material decrease to their net deferred income tax liability balances. At Generation, this reduction in net deferred income tax liabilities resulted in a one-time credit to income tax expense of approximately $1.9 billion. The Utility Registrants offset virtually all similar reductions, totaling $7.3 billion, with net regulatory liabilities (rather than through earnings), given that changes in income taxes are generally passed through customer rates. The amount and timing of potential refunds of the established net regulatory liabilities will be determined by the Utility Registrants' respective rate regulators, subject to certain IRS "normalization" rules.

  Pursuant to TCJA, beginning in 2018, Generation is expected to have higher operating cash flows over the next five years reflecting the reduction in the corporate federal income tax rate and full expensing of capital investments. The TCJA is generally expected to result in lower operating cash flows for the Utility Registrants as a result of the elimination of bonus depreciation and lower customer rates. Increased operating cash flows for the Utility Registrants from lower corporate federal income tax rates is expected to be more than offset over time by lower customer rates resulting from lower income tax expense and the settlement of deferred income tax net regulatory liabilities established pursuant to TCJA, partially offset by the impacts of higher rate base. The Utility Registrants expect to fund any required incremental operating cash outflows using third party debt financings and equity funding from Exelon in combinations generally consistent with existing capitalization ratio structures. To fund any additional equity contributions to the Utility Registrants, Exelon would have available to it its typical sources, including, but not limited to, the increased operating cash flows at Generation referenced above, which over time are expected to exceed the incremental equity needs at the Utility Registrants.

The Utility Registrants continue to work with their state regulatory commissions to determine the amount and timing of the passing back of TCJA income tax savings benefits to customers; with filings either made, or expected to be made, at Pepco, DPL and ACE, and approved filings at ComEd and BGE. The amounts being passed back or proposed to be passed back to customers reflect the benefit of lower income tax expense beginning January 1, 2018 (Feb. 1, 2018 for DPL Delaware), and the settlement of a portion of deferred income tax regulatory liabilities established upon enactment of the TCJA. To date, neither the PAPUC nor FERC has yet issued guidance on how and when to reflect the impacts of the TCJA in customer rates.

- **EGTP Bankruptcy:** On Nov. 7, 2017, EGTP and all of its wholly-owned subsidiaries filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware. As a result, Exelon and Generation deconsolidated EGTP's net liabilities, which included the previously impaired assets and related debt, from their consolidated financial statements, resulting in a $213 million pre-tax gain. Concurrently with the Chapter 11 filings, Generation entered into an asset purchase agreement to acquire one of EGTP's generating plants, the Handley Generating Station, for approximately $60 million, subject to a potential adjustment for fuel oil and assumption of certain liabilities. The acquisition was approved by the Bankruptcy Court in January 2018 and the transaction is expected to be completed in the first half of 2018.

- **Proposed Remedy for West Lake Landfill:** On Feb. 1, 2018, the Environmental Protection Agency (EPA) announced a proposed remediation plan for the West Lake Landfill Superfund Site in Bridgeton, Missouri, for which Generation is one of the potentially responsible parties (PRPs). The proposed remediation plan includes a partial excavation of the site and an enhanced landfill cover and will be open for public comment through March 22, 2018, with the expectation that a Record of Decision will be issued during the third quarter of 2018. Thereafter, the EPA will seek to enter into a Consent Decree with the PRPs to effectuate the remedy, which Generation currently expects will occur in late 2018 or early 2019. The estimated total cost to fully execute the EPA's proposed remedy is approximately $340 million, including cost escalation on an undiscounted basis, which will be allocated among the final group of PRPs. Generation increased its previous liability to reflect management's best estimate of Generation's allocable share of the cost of the proposed remedy among the PRPs, which could materially change in the future. The aforementioned 2017 charge has been excluded from GAAP Net Income to arrive at Adjusted (non-GAAP) Operating Earnings.

- **ComEd Electric Distribution Rate Case:** On Dec. 6, 2017, the ICC issued its final order approving ComEd's 2017 annual distribution formula rate update. The final order resulted in an increase to the revenue requirement of $96 million, reflecting an increase of $78 million for the initial revenue requirement for 2017 and an increase of $18 million related to the annual reconciliation for 2016. The increase was set using an allowed return on rate base of 6.47 percent for the initial revenue requirement and 6.45 percent for the annual reconciliation (inclusive of an allowed ROE of 8.40 percent for 2017 less a reliability performance metric penalty of 6 basis points for the 2016 reconciliation). The rates took effect in January 2018.

- **Pepco District of Columbia Electric Distribution Rate Case:** On Dec. 19, 2017, Pepco filed an application with the DCPSC to increase its annual electric distribution base rates by $66 million, reflecting a requested ROE of 10.1 percent. By mid-February, Pepco will update its current distribution rate case to reflect the TCJA impacts. Pepco expects a decision in the matter in the fourth quarter of 2018, but cannot predict how much of the requested increase the DCPSC will approve.

- **Pepco Maryland Electric Distribution Rate Case:** On Jan. 2, 2018, Pepco filed an application with the MDPSC to increase its annual electric distribution base rates by $41 million, reflecting a requested ROE of 10.1 percent. On Feb. 5, 2018, Pepco filed with the MDPSC an update to its current distribution rate case to reflect approximately $31 million in TCJA tax savings, thereby reducing the requested annual base rate increase to $11 million. Pepco expects a decision in the matter in the third quarter of 2018, but cannot predict how much of the requested increase the MDPSC will approve.

- **DPL Maryland Electric Distribution Rate Case:** On July 14, 2017, DPL filed an application with the MDPSC to increase its annual electric distribution base rates by $27 million, which was updated to $19 million on Nov. 16, 2017, reflecting a requested ROE of 10.1 percent. On Dec. 18, 2017, DPL, the MDPSC Staff and Maryland's Office of People's Counsel filed a settlement agreement with the MDPSC that would provide DPL a rate increase of $13 million, and a ROE of 9.5 percent solely for purposes of calculating AFUDC and regulatory asset carrying costs. By mid-February, DPL is planning to file with the MDPSC seeking approval to pass back to customers beginning in 2018 approximately $13 million in annual tax savings resulting from the enactment of the TCJA through a reduction in electric distribution rates. DPL expects a decision in the matter in the first quarter of 2018, but cannot predict whether the MDPSC will approve the settlement agreement as filed or how much of the requested increase will be approved.

- **FERC Transmission-Related Regulatory Asset Order:** On Nov. 16, 2017, FERC issued an order rejecting BGE's proposed revisions to its transmission formula rate to recover certain transmission-related income tax regulatory assets. ComEd, Pepco, DPL and ACE have similar transmission-related income tax regulatory assets also requiring FERC approval separate from their transmission formula rate mechanisms. Pursuant to the FERC order, management of each company concluded that the portion of the total transmission-related income tax regulatory assets that would have been previously amortized and recovered through rates had the transmission formula rate provided for such recovery was no longer probable of recovery; and recorded impairment charges to Income tax expense of $35 million, $3 million, $5 million, $27 million, $14 million, $6 million and $7 million at Exelon, ComEd, BGE, PHI, Pepco, DPL and ACE, respectively. Nevertheless, each company believes there is sufficient basis to support full recovery of all existing transmission-related income tax regulatory assets, and intends to further pursue such full recovery with FERC.

- **Nuclear Operations:** Generation's nuclear fleet, including its owned output from the Salem Generating Station and 100 percent of the CENG units, produced 47,528 gigawatt-hours (GWhs) in the fourth quarter of 2017, compared with 44,834 GWhs in the fourth quarter of 2016. Excluding Salem, the Exelon-operated nuclear plants at ownership achieved a 95.3 percent capacity factor for the fourth quarter of 2017, compared with 94.2 percent for the fourth quarter of 2016. Excluding Salem, the number of planned refueling outage days in the fourth quarter of 2017 totaled 60, compared with 71 in the fourth quarter of 2016. There were 18 non-refueling outage days in the fourth quarter of 2017, compared with 32 days in the fourth quarter of 2016.

- **Fossil and Renewables Operations:** The dispatch match rate for Generation's gas and hydro fleet was 98.4 percent in the fourth quarter of 2017, compared with 99.7 percent in the fourth quarter of 2016. The lower performance in the quarter was primarily due to outages at gas units in Texas and Alabama. The reported performance includes the EGTP sites, which Exelon maintained and operated through the quarter, but does not include Wolf Hollow II or Colorado Bend II, the two new CCGT units that went into full commercial operation in the second quarter. Energy capture for the wind and solar fleet was 96.2 percent in the fourth quarter of 2017, compared with 95.7 percent in the fourth quarter of 2016.

- **Financing Activities:**
    - On Nov. 28, 2017, ExGen Renewables IV, an indirect subsidiary of Exelon and Generation, entered into an $850 million non-recourse senior secured term loan credit facility agreement scheduled to mature on Nov. 28, 2024. The net proceeds of $785 million, after the initial funding of $50 million for debt service and liquidity reserves as well as deductions for original discount and issuance costs, were distributed to Generation for general corporate purposes. The term loan bears interest at a variable rate equal to LIBOR plus 3.00 percent, subject to a 1.00 percent LIBOR floor. As of Dec. 31, 2017, $850 million was outstanding. In addition to the financing, ExGen Renewables IV entered into interest rate swaps with an initial notional amount of $636 million at an interest rate of 2.32 percent to manage a portion of the interest rate exposure in connection with the financing.

## GAAP/Adjusted (non-GAAP) Operating Earnings Reconciliations

Adjusted (non-GAAP) Operating Earnings for the fourth quarter of 2017 do not include the following items (after tax) that were included in reported GAAP Net Income:

| (in millions) | Exelon Earnings per Diluted Share | Exelon | ComEd | PECO | BGE | PHI | Generation |
|---|---|---|---|---|---|---|---|
| **2017 GAAP Net Income** | **$ 1.94** | **$ 1,871** | **$ 120** | **$ 107** | **$ 76** | **$ 4** | **$ 2,215** |
| Mark-to-Market Impact of Economic Hedging Activities (net of taxes of $7 and $6, respectively) | 0.01 | 8 | — | — | — | — | 9 |
| Unrealized Gains Related to Nuclear Decommissioning Trust (NDT) Fund Investments (net of taxes of $67) | (0.12) | (108) | — | — | — | — | (108) |
| Amortization of Commodity Contract Intangibles (net of taxes of $5) | 0.01 | 8 | — | — | — | — | 8 |
| Merger and Integration Costs (net of taxes of $1, $1 and $0, respectively) | — | 1 | — | — | 1 | — | 1 |
| Long-Lived Asset Impairments (net of taxes of $16, $9 and $8, respectively) | 0.03 | 29 | — | — | — | 16 | 12 |
| Plant Retirements and Divestitures (net of taxes of $45, respectively) | 0.07 | 70 | — | — | — | — | 70 |
| Cost Management Program (net of taxes of $6, $1, $1 and $5, respectively) | 0.01 | 10 | — | 1 | 1 | — | 8 |
| Reassessment of Deferred Income Taxes (entire amount represents tax expense) | (1.30) | (1,257) | 3 | (12) | 5 | 33 | (1,874) |
| Gain on Deconsolidation of Businesses (net of taxes of $83) | (0.14) | (130) | — | — | — | — | (130) |
| Vacation Policy Change (net of taxes of $21, $1, $1, $3, and $16, respectively) | (0.03) | (33) | — | (1) | (1) | (5) | (26) |
| Change in Environmental Remediation Liabilities (net of taxes of $17) | 0.03 | 27 | — | — | — | — | 27 |
| Noncontrolling Interests (net of taxes of $8) | 0.04 | 40 | — | — | — | — | 40 |
| **2017 Adjusted (non-GAAP) Operating Earnings** | **$ 0.55** | **$ 536** | **$ 123** | **$ 95** | **$ 82** | **$ 48** | **$ 252** |

Adjusted (non-GAAP) Operating Earnings for the fourth quarter of 2016 do not include the following items (after tax) that were included in reported GAAP Net Income:

| (in millions) | Exelon Earnings per Diluted Share | Exelon | ComEd | PECO | BGE | PHI | Generation |
|---|---|---|---|---|---|---|---|
| **2016 GAAP Net Income** | **$ 0.22** | **$ 204** | **$ 80** | **$ 92** | **$ 103** | **$ 30** | **$ (41)** |
| Mark-to-Market Impact of Economic Hedging Activities (net of taxes of $28) | (0.05) | (44) | — | — | — | — | (44) |
| Unrealized Losses Related to NDT Fund Investments (net of taxes of $13) | 0.01 | 9 | — | — | — | — | 9 |
| Amortization of Commodity Contract Intangibles (net of taxes of $16) | 0.03 | 26 | — | — | — | — | 26 |
| Merger and Integration Costs (net of taxes of $14, $0, $1, $1, $3 and $9, respectively) | 0.02 | 23 | 1 | 1 | 1 | 4 | 15 |
| Merger Commitments (net of taxes of $12, $2 and $9, respectively) | 0.04 | 38 | — | — | — | 8 | 40 |
| Long-Lived Asset Impairments (net of taxes of $1) | — | (1) | — | — | — | — | — |
| Plant Retirements and Divestitures (net of taxes of $59) | 0.10 | 94 | — | — | — | — | 94 |
| Cost Management Program (net of taxes of $5, $1, $1 and $3, respectively) | 0.01 | 8 | — | 1 | 1 | — | 6 |
| Reassessment of State Deferred Income Taxes (entire amount represents tax expense) | 0.01 | 10 | — | — | — | — | 14 |
| Asset Retirement Obligation (net of taxes of $14) | (0.08) | (75) | — | — | — | — | (75) |
| Curtailment of Generation Growth Development Activities (net of taxes of $35) | 0.06 | 57 | — | — | — | — | 57 |
| Noncontrolling Interests (net of taxes of $1) | 0.07 | 61 | — | — | — | — | 61 |
| **2016 Adjusted (non-GAAP) Operating Earnings** | **$ 0.44** | **$ 410** | **$ 81** | **$ 94** | **$ 105** | **$ 42** | **$ 162** |

Adjusted (non-GAAP) Operating Earnings for the full year 2017 do not include the following items (after tax) that were included in reported GAAP Net Income:

| (in millions) | Exelon Earnings per Diluted Share | Exelon | ComEd | PECO | BGE | PHI | Generation |
|---|---|---|---|---|---|---|---|
| **2017 GAAP Net Income** | **$ 3.97** | **$ 3,770** | **$ 567** | **$ 434** | **$ 307** | **$ 362** | **$ 2,694** |
| Mark-to-Market Impact of Economic Hedging Activities (net of taxes of $68 and $66, respectively) | 0.11 | 107 | — | — | — | — | 109 |
| Unrealized Gains Related to NDT Fund Investments (net of taxes of $204) | (0.34) | (318) | — | — | — | — | (318) |
| Amortization of Commodity Contract Intangibles (net of taxes of $22) | 0.04 | 34 | — | — | — | — | 34 |
| Merger and Integration Costs (net of taxes of $25, $0, $2, $2, $7 and $27, respectively) | 0.04 | 40 | 1 | 2 | 2 | (10) | 44 |
| Merger Commitments (net of taxes of $137, $52 and $18, respectively) | (0.14) | (137) | — | — | — | (59) | (18) |
| Long-Lived Asset Impairments (net of taxes of $204, $9 and $194, respectively) | 0.34 | 321 | — | — | — | 16 | 306 |
| Plant Retirements and Divestitures (net of taxes of $134 and $133, respectively) | 0.22 | 207 | — | — | — | — | 208 |
| Reassessment of Deferred Income Taxes (entire amount represents tax expense) | (1.37) | (1,299) | 1 | (12) | 5 | 34 | (1,856) |
| Cost Management Program (net of taxes of $21, $3, $3 and $15 respectively) | 0.04 | 34 | — | 4 | 5 | — | 25 |
| Like-Kind Exchange Tax Position (net of taxes of $66 and $9, respectively) | (0.03) | (26) | 23 | — | — | — | — |
| Asset Retirement Obligation (net of taxes of $1) | — | (2) | — | — | — | — | (2) |
| Tax Settlements (net of taxes of $1) | (0.01) | (5) | — | — | — | — | (5) |
| Bargain Purchase Gain (net of taxes of $0) | (0.25) | (233) | — | — | — | — | (233) |
| Gain on Deconsolidation of Businesses (net of taxes of $83) | (0.14) | (130) | — | — | — | — | (130) |
| Vacation Policy Change (net of taxes of $21, $1, $1, $3, and $16, respectively) | (0.03) | (33) | — | (1) | (1) | (5) | (26) |
| Change in Environmental Remediation Liabilities (net of taxes of $17) | 0.03 | 27 | — | — | — | — | 27 |
| Noncontrolling Interests (net of taxes of $24) | 0.12 | 114 | — | — | — | — | 114 |
| **2017 Adjusted (non-GAAP) Operating Earnings** | **$ 2.60** | **$ 2,471** | **$ 592** | **$ 427** | **$ 318** | **$ 338** | **$ 973** |

Adjusted (non-GAAP) Operating Earnings for the full year 2016 do not include the following items (after tax) that were included in reported GAAP Net Income:

| (in millions) | Exelon Earnings per Diluted Share | Exelon | ComEd | PECO | BGE | PHI | Generation |
|---|---|---|---|---|---|---|---|
| **2016 GAAP Net Income** | **$ 1.22** | **$ 1,134** | **$ 378** | **$ 438** | **$ 286** | **$ (61)** | **$ 496** |
| Mark-to-Market Impact of Economic Hedging Activities (net of taxes of $18) | 0.03 | 24 | — | — | — | — | 24 |
| Unrealized Gains Related to NDT Fund Investments (net of taxes of $77) | (0.13) | (118) | — | — | — | — | (118) |
| Amortization of Commodity Contract Intangibles (net of taxes of $22) | 0.04 | 35 | — | — | — | — | 35 |
| Merger and Integration Costs (net of taxes of $50, $2, $2, $28 and $22, respectively) | 0.12 | 114 | (3) | 3 | — | 42 | 35 |
| Merger Commitments (net of taxes of $126, 77 and $10, respectively) | 0.47 | 437 | — | — | — | 247 | 42 |
| Long-Lived Asset Impairments (net of taxes of $68) | 0.11 | 103 | — | — | — | — | 103 |
| Plant Retirements and Divestitures (net of taxes of $273, respectively) | 0.47 | 432 | — | — | — | — | 432 |
| Reassessment of Deferred Income Taxes (entire amount represents tax expense) | 0.01 | 10 | — | — | — | — | 20 |
| Cost Management Program (net of taxes of $21, $2, $2 and $17 respectively) | 0.04 | 34 | — | 3 | 3 | — | 28 |
| Like-Kind Exchange Tax Position (net of taxes of $61 and $42, respectively) | 0.21 | 199 | 149 | — | — | — | — |
| Asset Retirement Obligation (net of taxes of $13) | (0.08) | (75) | — | — | — | — | (75) |
| Curtailment of Generation Growth and Development Activities (net of taxes of $35) | 0.06 | 57 | — | — | — | — | 57 |
| Noncontrolling Interests (net of taxes of $9) | 0.11 | 102 | — | — | — | — | 102 |
| **2016 Adjusted (non-GAAP) Operating Earnings** | **$ 2.68** | **$ 2,488** | **$ 524** | **$ 444** | **$ 289** | **$ 228** | **$ 1,181** |

Note:
Unless otherwise noted, the income tax impact of each reconciling item between GAAP Net Income and Adjusted (non-GAAP) Operating Earnings is based on the marginal statutory federal and state income tax rates for each Registrant, taking into account whether the income or expense item is taxable or deductible, respectively, in whole or in part. For all items except the unrealized gains and losses related to NDT fund investments, the marginal statutory income tax rates ranged from 39.0 percent to 41.0 percent. Under IRS regulations, NDT fund investment returns are taxed at differing rates for investments in qualified vs. non-qualified funds. The tax rates applied to unrealized gains and losses related to NDT fund investments were

49.5 percent and 76.2 percent for the three months ended December 31, 2017 and 2016, respectively; and were 47.4 percent and 48.7 percent for the twelve months ended December 31, 2017 and 2016, respectively.

**Webcast Information**

Exelon will discuss fourth quarter 2017 earnings in a one-hour conference call scheduled for today at 9 a.m. Central Time (10 a.m. Eastern Time). The webcast and associated materials can be accessed at www.exeloncorp.com/investor-relations.

**About Exelon**

Exelon Corporation (NYSE: EXC) is a Fortune 100 energy company with the largest number of utility customers in the U.S. Exelon does business in 48 states, the District of Columbia and Canada and had 2017 revenue of $33.5 billion. Exelon's six utilities deliver electricity and natural gas to approximately 9 million customers in Delaware, the District of Columbia, Illinois, Maryland, New Jersey and Pennsylvania through its Atlantic City Electric, BGE, ComEd, Delmarva Power, PECO and Pepco subsidiaries. Exelon is one of the largest competitive U.S. power generators, with more than 35,168 megawatts of nuclear, gas, wind, solar and hydroelectric generating capacity comprising one of the nation's cleanest and lowest-cost power generation fleets. The company's Constellation business unit provides energy products and services to approximately 2 million residential, public sector and business customers, including more than two-thirds of the Fortune 100. Follow Exelon on Twitter @Exelon.

**Non-GAAP Financial Measures**

In addition to net income as determined under generally accepted accounting principles in the United States (GAAP), Exelon evaluates its operating performance using the measure of Adjusted (non-GAAP) Operating Earnings because management believes it represents earnings directly related to the ongoing operations of the business. Adjusted (non-GAAP) Operating Earnings exclude certain costs, expenses, gains and losses and other specified items. This measure is intended to enhance an investor's overall understanding of period over period operating results and provide an indication of Exelon's baseline operating performance excluding items that are considered by management to be not directly related to the ongoing operations of the business. In addition, this measure is among the primary indicators management uses as a basis for evaluating performance, allocating resources, setting incentive compensation targets and planning and forecasting of future periods. Adjusted (non-GAAP) Operating Earnings is not a presentation defined under GAAP and may not be comparable to other companies' presentation. The Company has provided the non-GAAP financial measure as supplemental information and in addition to the financial measures that are calculated and presented in accordance with GAAP. Adjusted (non-GAAP) Operating Earnings should not be deemed more useful than, a substitute for, or an alternative to the most comparable GAAP Net Income measures provided in this earnings release and attachments. This press release and earnings release attachments provide reconciliations of adjusted (non-GAAP) Operating Earnings to the most directly comparable financial measures calculated and presented in accordance with GAAP, are posted on Exelon's website: www.exeloncorp.com, and have been furnished to the Securities and Exchange Commission on Form 8-K on February 7, 2018.

**Cautionary Statements Regarding Forward-Looking Information**

This press release contains certain 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 Exelon Corporation, Exelon Generation Company, LLC, Commonwealth Edison Company, PECO Energy Company, Baltimore Gas and Electric Company, Pepco Holdings LLC, Potomac Electric Power Company, Delmarva Power & Light Company, and Atlantic City Electric Company (Registrants) include those factors discussed herein, as well as the items discussed in (1) the Registrants' 2016 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 24, Commitments and Contingencies; (2) the Registrants' Third Quarter 2017 Quarterly Report on Form 10-Q in (a) Part II, Other Information, ITEM 1A. Risk Factors; (b) Part 1, Financial Information, ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, Financial Information, ITEM 1. Financial Statements: Note 18, Commitments and Contingencies; and (3) 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 press release. 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 press release.

**Earnings Release Attachments**
**Table of Contents**

# EXELON CORPORATION
## Consolidating Statements of Operations
(unaudited)
(in millions)

| | Three Months Ended December 31, 2017 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Generation | ComEd | PECO | BGE | PHI (a) | Other (b) | Exelon Consolidated |
| **Operating revenues** | $ 4,654 | $ 1,309 | $ 729 | $ 813 | $ 1,121 | $ (245) | $ 8,381 |
| **Operating expenses** | | | | | | | |
| Purchased power and fuel | 2,403 | 399 | 250 | 280 | 398 | (222) | 3,508 |
| Operating and maintenance | 1,421 | 332 | 211 | 184 | 292 | (45) | 2,395 |
| Depreciation and amortization | 412 | 220 | 73 | 125 | 164 | 21 | 1,015 |
| Taxes other than income | 130 | 73 | 38 | 61 | 108 | 8 | 418 |
| **Total operating expenses** | 4,366 | 1,024 | 572 | 650 | 962 | (238) | 7,336 |
| **Gain (Loss) on sales of assets** | — | 1 | — | — | — | (1) | — |
| **Gain on deconsolidation of business** | 213 | — | — | — | — | — | 213 |
| **Operating income (loss)** | 501 | 286 | 157 | 163 | 159 | (8) | 1,258 |
| **Other income and (deductions)** | | | | | | | |
| Interest expense, net | (98) | (87) | (33) | (25) | (62) | (60) | (365) |
| Other, net | 299 | 10 | 3 | 4 | 15 | — | 331 |
| **Total other income and (deductions)** | 201 | (77) | (30) | (21) | (47) | (60) | (34) |
| **Income (Loss) before income taxes** | 702 | 209 | 127 | 142 | 112 | (68) | 1,224 |
| **Income taxes** | (1,585) | 89 | 20 | 66 | 108 | 583 | (719) |
| **Equity in (losses) earnings of unconsolidated affiliates** | (7) | — | — | — | — | 1 | (6) |
| **Net income (loss)** | 2,280 | 120 | 107 | 76 | 4 | (650) | 1,937 |
| **Net income attributable to noncontrolling interests** | 65 | — | — | — | — | 1 | 66 |
| **Net income (loss) attributable to common shareholders** | $ 2,215 | $ 120 | $ 107 | $ 76 | $ 4 | $ (651) | $ 1,871 |

| | Three Months Ended December 31, 2016 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Generation | ComEd | PECO | BGE | PHI (a) | Other (b) | Exelon Consolidated |
| **Operating revenues** | $ 4,388 | $ 1,223 | $ 701 | $ 812 | $ 1,078 | $ (327) | $ 7,875 |
| **Operating expenses** | | | | | | | |
| Purchased power and fuel | 2,221 | 317 | 238 | 300 | 410 | (308) | 3,178 |
| Operating and maintenance | 1,308 | 417 | 206 | 149 | 310 | (19) | 2,371 |
| Depreciation and amortization | 550 | 201 | 69 | 115 | 160 | 20 | 1,115 |
| Taxes other than income | 126 | 71 | 38 | 58 | 107 | 8 | 408 |
| **Total operating expenses** | 4,205 | 1,006 | 551 | 622 | 987 | (299) | 7,072 |
| **(Loss) Gain on sales of assets** | (89) | — | — | — | (1) | 1 | (89) |
| **Operating income (loss)** | 94 | 217 | 150 | 190 | 90 | (27) | 714 |
| **Other income and (deductions)** | | | | | | | |
| Interest expense, net | (92) | (87) | (31) | (27) | (61) | (58) | (356) |
| Other, net | 6 | 8 | 2 | 5 | 13 | (1) | 33 |
| **Total other income and (deductions)** | (86) | (79) | (29) | (22) | (48) | (59) | (323) |
| **Income (Loss) before income taxes** | 8 | 138 | 121 | 168 | 42 | (86) | 391 |
| **Income taxes** | (3) | 58 | 29 | 65 | 12 | (25) | 136 |
| **Equity in (losses) earnings of unconsolidated affiliates** | (9) | — | — | — | — | 1 | (8) |
| **Net income (loss)** | 2 | 80 | 92 | 103 | 30 | (60) | 247 |
| **Net income attributable to noncontrolling interests and preference stock dividends** | 43 | — | — | — | — | — | 43 |
| **Net (loss) income attributable to common shareholders** | $ (41) | $ 80 | $ 92 | $ 103 | $ 30 | $ (60) | $ 204 |

(a) PHI includes the consolidated results of Potomac Electric Power Company, Delmarva Power & Light Company and Atlantic City Electric Company.
(b) Other primarily includes eliminating and consolidating adjustments, Exelon's corporate operations, shared service entities and other financing and investment activities.

**EXELON CORPORATION**
**Consolidating Statements of Operations**
(unaudited)
(in millions)

| | Twelve Months Ended December 31, 2017 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Generation | ComEd | PECO | BGE | PHI | Other (a) | Exelon Consolidated |
| **Operating revenues** | $ 18,466 | $ 5,536 | $ 2,870 | $ 3,176 | $ 4,679 | $ (1,196) | $ 33,531 |
| **Operating expenses** | | | | | | | |
| Purchased power and fuel | 9,690 | 1,641 | 969 | 1,133 | 1,716 | (1,114) | 14,035 |
| Operating and maintenance | 6,291 | 1,427 | 806 | 716 | 1,068 | (182) | 10,126 |
| Depreciation and amortization | 1,457 | 850 | 286 | 473 | 675 | 87 | 3,828 |
| Taxes other than income | 555 | 296 | 154 | 240 | 452 | 34 | 1,731 |
| **Total operating expenses** | 17,993 | 4,214 | 2,215 | 2,562 | 3,911 | (1,175) | 29,720 |
| **Gain (Loss) on sales of assets** | 2 | 1 | — | — | 1 | (1) | 3 |
| **Bargain purchase gain** | 233 | — | — | — | — | — | 233 |
| **Gain on deconsolidation of business** | 213 | — | — | — | — | — | 213 |
| **Operating income (loss)** | 921 | 1,323 | 655 | 614 | 769 | (22) | 4,260 |
| **Other income and (deductions)** | | | | | | | |
| Interest expense, net | (440) | (361) | (126) | (105) | (245) | (283) | (1,560) |
| Other, net | 948 | 22 | 9 | 16 | 54 | 7 | 1,056 |
| **Total other income and (deductions)** | 508 | (339) | (117) | (89) | (191) | (276) | (504) |
| **Income (Loss) before income taxes** | 1,429 | 984 | 538 | 525 | 578 | (298) | 3,756 |
| **Income taxes** | (1,375) | 417 | 104 | 218 | 217 | 294 | (125) |
| **Equity in (losses) earnings of unconsolidated affiliates** | (33) | — | — | — | 1 | — | (32) |
| **Net income (loss)** | 2,771 | 567 | 434 | 307 | 362 | (592) | 3,849 |
| **Net income attributable to noncontrolling interests** | 77 | — | — | — | — | 2 | 79 |
| **Net income (loss) attributable to common shareholders** | $ 2,694 | $ 567 | $ 434 | $ 307 | $ 362 | $ (594) | $ 3,770 |

| | Twelve Months Ended December 31, 2016 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Generation | ComEd | PECO | BGE | PHI (b) | Other (a) | Exelon Consolidated |
| **Operating revenues** | $ 17,751 | $ 5,254 | $ 2,994 | $ 3,233 | $ 3,643 | $ (1,515) | $ 31,360 |
| **Operating expenses** | | | | | | | |
| Purchased power and fuel | 8,830 | 1,458 | 1,047 | 1,294 | 1,447 | (1,436) | 12,640 |
| Operating and maintenance | 5,641 | 1,530 | 811 | 737 | 1,233 | 96 | 10,048 |
| Depreciation and amortization | 1,879 | 775 | 270 | 423 | 515 | 74 | 3,936 |
| Taxes other than income | 506 | 293 | 164 | 229 | 354 | 30 | 1,576 |
| **Total operating expenses** | 16,856 | 4,056 | 2,292 | 2,683 | 3,549 | (1,236) | 28,200 |
| **(Loss) Gain on sales of assets** | (59) | 7 | — | — | (1) | 5 | (48) |
| **Operating income (loss)** | 836 | 1,205 | 702 | 550 | 93 | (274) | 3,112 |
| **Other income and (deductions)** | | | | | | | |
| Interest expense, net | (364) | (461) | (123) | (103) | (195) | (290) | (1,536) |
| Other, net | 401 | (65) | 8 | 21 | 44 | 4 | 413 |
| **Total other income and (deductions)** | 37 | (526) | (115) | (82) | (151) | (286) | (1,123) |
| **Income (loss) before income taxes** | 873 | 679 | 587 | 468 | (58) | (560) | 1,989 |
| **Income taxes** | 290 | 301 | 149 | 174 | 3 | (156) | 761 |
| **Equity in (losses) earnings of unconsolidated affiliates** | (25) | — | — | — | — | 1 | (24) |
| **Net income (loss)** | 558 | 378 | 438 | 294 | (61) | (403) | 1,204 |
| **Net income attributable to noncontrolling interests and preference stock dividends** | 62 | — | — | 8 | — | — | 70 |
| **Net income (loss) attributable to common shareholders** | $ 496 | $ 378 | $ 438 | $ 286 | $ (61) | $ (403) | $ 1,134 |

(a) Other primarily includes eliminating and consolidating adjustments, Exelon's corporate operations, shared service entities and other financing and investment activities.
(b) PHI includes the consolidated results of Potomac Electric Power Company, Delmarva Power & Light Company and Atlantic City Electric Company beginning on March 24, 2016, the day after the merger was completed.

**EXELON CORPORATION**
**Business Segment Comparative Statements of Operations**
(unaudited)
(in millions)

**Generation**

| | Three Months Ended December 31, | | | Twelve Months Ended December 31, | | |
|---|---|---|---|---|---|---|
| | **2017** | **2016** | **Variance** | **2017** | **2016** | **Variance** |
| **Operating revenues** | $ 4,654 | $ 4,388 | $ 266 | $ 18,466 | $ 17,751 | $ 715 |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | 2,403 | 2,221 | 182 | 9,690 | 8,830 | 860 |
| Operating and maintenance | 1,421 | 1,308 | 113 | 6,291 | 5,641 | 650 |
| Depreciation and amortization | 412 | 550 | (138) | 1,457 | 1,879 | (422) |
| Taxes other than income | 130 | 126 | 4 | 555 | 506 | 49 |
| **Total operating expenses** | 4,366 | 4,205 | 161 | 17,993 | 16,856 | 1,137 |
| **(Loss) Gain on sales of assets** | — | (89) | 89 | 2 | (59) | 61 |
| **Bargain purchase gain** | — | — | — | 233 | — | 233 |
| **Gain on deconsolidation of business** | 213 | — | 213 | 213 | — | 213 |
| **Operating income** | 501 | 94 | 407 | 921 | 836 | 85 |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (98) | (92) | (6) | (440) | (364) | (76) |
| Other, net | 299 | 6 | 293 | 948 | 401 | 547 |
| **Total other income and (deductions)** | 201 | (86) | 287 | 508 | 37 | 471 |
| **Income before income taxes** | 702 | 8 | 694 | 1,429 | 873 | 556 |
| **Income taxes** | (1,585) | (3) | (1,582) | (1,375) | 290 | (1,665) |
| **Equity in losses of unconsolidated affiliates** | (7) | (9) | 2 | (33) | (25) | (8) |
| **Net income** | 2,280 | 2 | 2,278 | 2,771 | 558 | 2,213 |
| **Net income attributable to noncontrolling interests** | 65 | 43 | 22 | 77 | 62 | 15 |
| **Net income (loss) attributable to membership interest** | $ 2,215 | $ (41) | $ 2,256 | $ 2,694 | $ 496 | $ 2,198 |

**ComEd**

| | Three Months Ended December 31, | | | Twelve Months Ended December 31, | | |
|---|---|---|---|---|---|---|
| | **2017** | **2016** | **Variance** | **2017** | **2016** | **Variance** |
| **Operating revenues** | $ 1,309 | $ 1,223 | $ 86 | $ 5,536 | $ 5,254 | $ 282 |
| **Operating expenses** | | | | | | |
| Purchased power | 399 | 317 | 82 | 1,641 | 1,458 | 183 |
| Operating and maintenance | 332 | 417 | (85) | 1,427 | 1,530 | (103) |
| Depreciation and amortization | 220 | 201 | 19 | 850 | 775 | 75 |
| Taxes other than income | 73 | 71 | 2 | 296 | 293 | 3 |
| **Total operating expenses** | 1,024 | 1,006 | 18 | 4,214 | 4,056 | 158 |
| **Gain on sales of assets** | 1 | — | 1 | 1 | 7 | (6) |
| **Operating income** | 286 | 217 | 69 | 1,323 | 1,205 | 118 |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (87) | (87) | — | (361) | (461) | 100 |
| Other, net | 10 | 8 | 2 | 22 | (65) | 87 |
| **Total other income and (deductions)** | (77) | (79) | 2 | (339) | (526) | 187 |
| **Income before income taxes** | 209 | 138 | 71 | 984 | 679 | 305 |
| **Income taxes** | 89 | 58 | 31 | 417 | 301 | 116 |
| **Net income** | $ 120 | $ 80 | $ 40 | $ 567 | $ 378 | $ 189 |

.

**EXELON CORPORATION**
**Business Segment Comparative Statements of Operations**
(unaudited)
(in millions)

**PECO**

| | Three Months Ended December 31, | | | Twelve Months Ended December 31, | | |
|---|---|---|---|---|---|---|
| | **2017** | **2016** | **Variance** | **2017** | **2016** | **Variance** |
| **Operating revenues** | $ 729 | $ 701 | $ 28 | $ 2,870 | $ 2,994 | $ (124) |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | 250 | 238 | 12 | 969 | 1,047 | (78) |
| Operating and maintenance | 211 | 206 | 5 | 806 | 811 | (5) |
| Depreciation and amortization | 73 | 69 | 4 | 286 | 270 | 16 |
| Taxes other than income | 38 | 38 | — | 154 | 164 | (10) |
| **Total operating expenses** | 572 | 551 | 21 | 2,215 | 2,292 | (77) |
| **Operating income** | 157 | 150 | 7 | 655 | 702 | (47) |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (33) | (31) | (2) | (126) | (123) | (3) |
| Other, net | 3 | 2 | 1 | 9 | 8 | 1 |
| **Total other income and (deductions)** | (30) | (29) | (1) | (117) | (115) | (2) |
| **Income before income taxes** | 127 | 121 | 6 | 538 | 587 | (49) |
| **Income taxes** | 20 | 29 | (9) | 104 | 149 | (45) |
| **Net income** | $ 107 | $ 92 | $ 15 | $ 434 | $ 438 | $ (4) |

**BGE**

| | Three Months Ended December 31, | | | Twelve Months Ended December 31, | | |
|---|---|---|---|---|---|---|
| | **2017** | **2016** | **Variance** | **2017** | **2016** | **Variance** |
| **Operating revenues** | $ 813 | $ 812 | $ 1 | $ 3,176 | $ 3,233 | $ (57) |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | 280 | 300 | (20) | 1,133 | 1,294 | (161) |
| Operating and maintenance | 184 | 149 | 35 | 716 | 737 | (21) |
| Depreciation and amortization | 125 | 115 | 10 | 473 | 423 | 50 |
| Taxes other than income | 61 | 58 | 3 | 240 | 229 | 11 |
| **Total operating expenses** | 650 | 622 | 28 | 2,562 | 2,683 | (121) |
| **Operating income** | 163 | 190 | (27) | 614 | 550 | 64 |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (25) | (27) | 2 | (105) | (103) | (2) |
| Other, net | 4 | 5 | (1) | 16 | 21 | (5) |
| **Total other income and (deductions)** | (21) | (22) | 1 | (89) | (82) | (7) |
| **Income before income taxes** | 142 | 168 | (26) | 525 | 468 | 57 |
| **Income taxes** | 66 | 65 | 1 | 218 | 174 | 44 |
| **Net income** | 76 | 103 | (27) | 307 | 294 | 13 |
| **Preference stock dividends** | — | — | — | — | 8 | (8) |
| **Net income attributable to common shareholder** | $ 76 | $ 103 | $ (27) | $ 307 | $ 286 | $ 21 |

**EXELON CORPORATION**
**Business Segment Comparative Statements of Operations**
(unaudited)
(in millions)

**PHI**

| | Three Months Ended December 31, | | | Twelve Months Ended December 31, | | |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | Variance | 2017 | 2016 (a) | Variance |
| **Operating revenues** | $ 1,121 | $ 1,078 | $ 43 | $ 4,679 | $ 3,643 | $ 1,036 |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | 398 | 410 | (12) | 1,716 | 1,447 | 269 |
| Operating and maintenance | 292 | 310 | (18) | 1,068 | 1,233 | (165) |
| Depreciation and amortization | 164 | 160 | 4 | 675 | 515 | 160 |
| Taxes other than income | 108 | 107 | 1 | 452 | 354 | 98 |
| **Total operating expenses** | 962 | 987 | (25) | 3,911 | 3,549 | 362 |
| **(Loss) Gain on sales of assets** | — | (1) | 1 | 1 | (1) | 2 |
| **Operating income** | 159 | 90 | 69 | 769 | 93 | 676 |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (62) | (61) | (1) | (245) | (195) | (50) |
| Other, net | 15 | 13 | 2 | 54 | 44 | 10 |
| **Total other income and (deductions)** | (47) | (48) | 1 | (191) | (151) | (40) |
| **Income (loss) before income taxes** | 112 | 42 | 70 | 578 | (58) | 636 |
| **Income taxes** | 108 | 12 | 96 | 217 | 3 | 214 |
| **Equity in earnings of unconsolidated affiliates** | — | — | — | 1 | — | 1 |
| **Net income (loss)** | $ 4 | $ 30 | $ (26) | $ 362 | $ (61) | $ 423 |

**Other (b)**

| | Three Months Ended December 31, | | | Twelve Months Ended December 31, | | |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | Variance | 2017 | 2016 | Variance |
| **Operating revenues** | $ (245) | $ (327) | $ 82 | $ (1,196) | $ (1,515) | $ 319 |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | (222) | (308) | 86 | (1,114) | (1,436) | 322 |
| Operating and maintenance | (45) | (19) | (26) | (182) | 96 | (278) |
| Depreciation and amortization | 21 | 20 | 1 | 87 | 74 | 13 |
| Taxes other than income | 8 | 8 | — | 34 | 30 | 4 |
| **Total operating expenses** | (238) | (299) | 61 | (1,175) | (1,236) | 61 |
| **(Loss) Gain on sales of assets** | (1) | 1 | (2) | (1) | 5 | (6) |
| **Operating loss** | (8) | (27) | 19 | (22) | (274) | 252 |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (60) | (58) | (2) | (283) | (290) | 7 |
| Other, net | — | (1) | 1 | 7 | 4 | 3 |
| **Total other income and (deductions)** | (60) | (59) | (1) | (276) | (286) | 10 |
| **Loss before income taxes** | (68) | (86) | 18 | (298) | (560) | 262 |
| **Income taxes** | 583 | (25) | 608 | 294 | (156) | 450 |
| **Equity in earnings of unconsolidated affiliates** | 1 | 1 | — | — | 1 | (1) |
| **Net loss** | (650) | (60) | (590) | $ (592) | $ (403) | $ (189) |
| **Net income attributable to noncontrolling interests and preference stock dividends** | 1 | — | 1 | 2 | — | 2 |
| **Net loss attributable to common shareholders** | $ (651) | $ (60) | $ (591) | $ (594) | $ (403) | $ (191) |

(a) PHI includes the consolidated results of Potomac Electric Power Company, Delmarva Power & Light Company and Atlantic City Electric Company beginning on March 24, 2016, the day after the merger was completed.
(b) Other primarily includes eliminating and consolidating adjustments, Exelon's corporate operations, shared service entities and other financing and investment activities.

**EXELON CORPORATION**
**Consolidated Balance Sheets**
**(unaudited) (in millions)**

| | December 31, 2017 | December 31, 2016 |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | $ 898 | $ 635 |
| Restricted cash and cash equivalents | 207 | 253 |
| Deposit with IRS | — | 1,250 |
| Accounts receivable, net | | |
| Customer | 4,401 | 4,158 |
| Other | 1,132 | 1,201 |
| Mark-to-market derivative assets | 976 | 917 |
| Unamortized energy contract assets | 60 | 88 |
| Inventories, net | | |
| Fossil fuel and emission allowances | 340 | 364 |
| Materials and supplies | 1,311 | 1,274 |
| Regulatory assets | 1,267 | 1,342 |
| Other | 1,242 | 930 |
| **Total current assets** | 11,834 | 12,412 |
| **Property, plant and equipment, net** | 74,202 | 71,555 |
| **Deferred debits and other assets** | | |
| Regulatory assets | 8,021 | 10,046 |
| Nuclear decommissioning trust funds | 13,272 | 11,061 |
| Investments | 640 | 629 |
| Goodwill | 6,677 | 6,677 |
| Mark-to-market derivative assets | 337 | 492 |
| Unamortized energy contract assets | 395 | 447 |
| Pledged assets for Zion Station decommissioning | — | 113 |
| Other | 1,322 | 1,472 |
| **Total deferred debits and other assets** | 30,664 | 30,937 |
| **Total assets** | $ 116,700 | $ 114,904 |
| **Liabilities and shareholders' equity** | | |
| **Current liabilities** | | |
| Short-term borrowings | $ 929 | $ 1,267 |
| Long-term debt due within one year | 2,088 | 2,430 |
| Accounts payable | 3,532 | 3,441 |
| Accrued expenses | 1,835 | 3,460 |
| Payables to affiliates | 5 | 8 |
| Regulatory liabilities | 523 | 602 |
| Mark-to-market derivative liabilities | 232 | 282 |
| Unamortized energy contract liabilities | 231 | 407 |
| Renewable energy credit obligation | 352 | 428 |
| PHI merger related obligation | 87 | 151 |
| Other | 982 | 981 |
| **Total current liabilities** | 10,796 | 13,457 |
| **Long-term debt** | 32,176 | 31,575 |
| **Long-term debt to financing trusts** | 389 | 641 |
| **Deferred credits and other liabilities** | | |
| Deferred income taxes and unamortized investment tax credits | 11,222 | 18,138 |
| Asset retirement obligations | 10,029 | 9,111 |
| Pension obligations | 3,736 | 4,248 |
| Non-pension postretirement benefit obligations | 2,093 | 1,848 |
| Spent nuclear fuel obligation | 1,147 | 1,024 |
| Regulatory liabilities | 9,865 | 4,187 |
| Mark-to-market derivative liabilities | 409 | 392 |
| Unamortized energy contract liabilities | 609 | 830 |
| Payable for Zion Station decommissioning | — | 14 |
| Other | 2,097 | 1,827 |
| **Total deferred credits and other liabilities** | 41,207 | 41,619 |
| **Total liabilities** | 84,568 | 87,292 |
| **Commitments and contingencies** | | |
| **Shareholders' equity** | | |
| Common stock | 18,964 | 18,794 |
| Treasury stock, at cost | (123) | (2,327) |
| Retained earnings | 13,503 | 12,030 |
| Accumulated other comprehensive loss, net | (2,487) | (2,660) |

| | | |
|---|---|---|
| **Total shareholders' equity** | 29,857 | 25,837 |
| Noncontrolling interests | 2,275 | 1,775 |
| **Total equity** | 32,132 | 27,612 |
| **Total liabilities and shareholders' equity** | $ 116,700 | $ 114,904 |

**EXELON CORPORATION**
**Consolidated Statements of Cash Flows**
(unaudited)
(in millions)

| | Twelve Months Ended December 31, | |
|---|---|---|
| | **2017** | **2016** |
| **Cash flows from operating activities** | | |
| Net income | $ 3,849 | $ 1,204 |
| Adjustments to reconcile net income to net cash flows provided by operating activities: | | |
| Depreciation, amortization, and accretion, including nuclear fuel and energy contract amortization | 5,427 | 5,576 |
| Impairments of long-lived assets, intangible assets, and losses on regulatory assets | 573 | 306 |
| Gain on deconsolidation of business | (213) | — |
| (Gain) Loss on sales of assets | (3) | 48 |
| Bargain purchase gain | (233) | — |
| Deferred income taxes and amortization of investment tax credits | (361) | 664 |
| Net fair value changes related to derivatives | 151 | 24 |
| Net realized and unrealized (gains) losses on nuclear decommissioning trust fund investments | (616) | (229) |
| Other non-cash operating activities | 713 | 1,333 |
| Changes in assets and liabilities: | | |
| Accounts receivable | (426) | (432) |
| Inventories | (72) | 7 |
| Accounts payable and accrued expenses | (378) | 771 |
| Option premiums (paid) received, net | 28 | (66) |
| Collateral received (posted), net | (158) | 931 |
| Income taxes | 299 | 576 |
| Pension and non-pension postretirement benefit contributions | (405) | (397) |
| Deposit with IRS | — | (1,250) |
| Other assets and liabilities | (683) | (621) |
| Net cash flows provided by operating activities | 7,492 | 8,445 |
| **Cash flows from investing activities** | | |
| Capital expenditures | (7,584) | (8,553) |
| Proceeds from termination of direct financing lease investment | — | 360 |
| Proceeds from nuclear decommissioning trust fund sales | 7,845 | 9,496 |
| Investment in nuclear decommissioning trust funds | (8,113) | (9,738) |
| Acquisition of businesses, net | (208) | (6,934) |
| Proceeds from sales of long-lived assets | 219 | 61 |
| Change in restricted cash | (50) | (42) |
| Other investing activities | (55) | (153) |
| Net cash flows used in investing activities | (7,946) | (15,503) |
| **Cash flows from financing activities** | | |
| Changes in short-term borrowings | (261) | (353) |
| Proceeds from short-term borrowings with maturities greater than 90 days | 621 | 240 |
| Repayments on short-term borrowings with maturities greater than 90 days | (700) | (462) |
| Issuance of long-term debt | 3,470 | 4,716 |
| Retirement of long-term debt | (2,490) | (1,936) |
| Retirement of long-term debt to financing trust | (250) | — |
| Restricted proceeds from issuance of long-term debt | (50) | — |
| Redemption of preference stock | — | (190) |
| Sale of noncontrolling interests | 396 | 372 |
| Dividends paid on common stock | (1,236) | (1,166) |
| Common stock issued from treasury | 1,150 | — |
| Proceeds from employee stock plans | 150 | 55 |
| Other financing activities | (83) | (85) |
| Net cash flows provided by financing activities | 717 | 1,191 |
| **Increase (Decrease) in cash and cash equivalents** | 263 | (5,867) |
| **Cash and cash equivalents at beginning of period** | 635 | 6,502 |
| **Cash and cash equivalents at end of period** | $ 898 | $ 635 |

# EXELON CORPORATION
## GAAP Consolidated Statements of Operations and
## Adjusted (non-GAAP) Operating Earnings Reconciling Adjustments
(unaudited)
(in millions, except per share data)

| | Three Months Ended December 31, 2017 | | | Three Months Ended December 31, 2016 | | |
|---|---|---|---|---|---|---|
| | GAAP (a) | Non-GAAP Adjustments | | GAAP (a) | Non-GAAP Adjustments | |
| **Operating revenues** | $ 8,381 | $ 93 | (b),(d) | $ 7,875 | $ 177 | (b),(d) |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | 3,508 | 61 | (b),(d),(g) | 3,178 | 184 | (b),(d),(g) |
| Operating and maintenance | 2,395 | (53) | (e),(f),(g),(h),(i),(k),(o) | 2,371 | 107 | (e),(g),(h),(l),(m),(n) |
| Depreciation and amortization | 1,015 | (109) | (g) | 1,115 | (251) | (g) |
| Taxes other than income | 418 | 2 | (k) | 408 | — | |
| **Total operating expenses** | 7,336 | | | 7,072 | | |
| **Loss on sales of assets** | — | — | | (89) | 89 | (g),(n) |
| **Gain on deconsolidation of business** | 213 | (213) | (j) | — | | |
| **Operating income** | 1,258 | | | 714 | | |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (365) | — | | (356) | — | |
| Other, net | 331 | (244) | (c),(i) | 33 | 37 | (c),(g),(n) |
| **Total other income and (deductions)** | (34) | | | (323) | | |
| **Income before income taxes** | 1,224 | | | 391 | | |
| **Income taxes** | (719) | 1,110 | (b),(c),(d),(e),(f),(g),(h),(i),(j),(k),(o) | 136 | 118 | (b),(c),(d),(e),(g),(h),(i),(l),(m),(n) |
| **Equity in losses of unconsolidated affiliates** | (6) | — | | (8) | — | |
| **Net income** | 1,937 | | | 247 | | |
| **Net income attributable to noncontrolling interests and preference stock dividends** | 66 | (40) | (p) | 43 | (61) | (p) |
| **Net income attributable to common shareholders** | $ 1,871 | | | $ 204 | | |
| **Effective tax rate[(q)(r)]** | (58.7)% | | | 34.8% | | |
| **Earnings per average common share** | | | | | | |
| Basic | $ 1.94 | | | $ 0.22 | | |
| Diluted | $ 1.94 | | | $ 0.22 | | |
| **Average common shares outstanding** | | | | | | |
| Basic | 964 | | | 925 | | |
| Diluted | 967 | | | 928 | | |
| **Effect of adjustments on earnings per average diluted common share recorded in accordance with GAAP:** | | | | | | |
| Mark-to-market impact of economic hedging activities (b) | | $ 0.01 | | | $ (0.05) | |
| Unrealized (gains) losses related to NDT fund investments (c) | | (0.12) | | | 0.01 | |
| Amortization of commodity contract intangibles (d) | | 0.01 | | | 0.03 | |
| Merger and integration costs (e) | | — | | | 0.02 | |
| Long-lived asset impairments (f) | | 0.03 | | | — | |
| Plant retirements and divestitures (g) | | 0.07 | | | 0.10 | |
| Cost management program (h) | | 0.01 | | | 0.01 | |
| Reassessment of deferred income taxes (i) | | (1.30) | | | 0.01 | |
| Gain on deconsolidation of business (j) | | (0.14) | | | — | |
| Vacation policy change (k) | | (0.03) | | | — | |
| Merger commitments (l) | | — | | | 0.04 | |
| Asset retirement obligation (m) | | — | | | (0.08) | |
| Curtailment of Generation growth and development activities (n) | | — | | | 0.06 | |
| Change in environmental remediation liabilities (o) | | 0.03 | | | — | |
| Noncontrolling interests (p) | | 0.04 | | | 0.07 | |
| Total adjustments | | $ (1.39) | | | $ 0.22 | |

(a) Results reported in accordance with accounting principles generally accepted in the United States (GAAP).
(b) Adjustment to exclude the mark-to-market impact of Exelon's economic hedging activities, net of intercompany eliminations.
(c) Adjustment to exclude the impact of unrealized gains and losses on NDT fund investments to the extent not offset by contractual accounting as described in the notes to the consolidated financial statements.

(d) Adjustment to exclude the non-cash amortization of intangible assets, net, primarily related to commodity contracts recorded at fair value related to, in 2016, the Integrys and ConEdison Solutions acquisitions, and in 2017, the ConEdison Solutions and FitzPatrick acquisitions.
(e) Adjustment to exclude certain costs associated with mergers and acquisitions, including, if and when applicable, professional fees, employee-related expenses and integration activities related to the PHI and FitzPatrick acquisitions.
(f) Adjustment to exclude charges to earnings related to the PHI 2017 impairment of the District of Columbia sponsorship intangible asset.
(g) Adjustment to exclude in 2016, incremental accelerated depreciation and amortization expenses from June 2, 2016 through December 6, 2016 pursuant to the second quarter decision to early retire the Clinton and Quad Cities nuclear generation facilities, which decision was reversed in December 2016, partially offset by the reversal of certain one-time charges for materials & supplies inventory reserves and severance reserves upon Generation’s decision to continue operating the plants with the passage of the Illinois Zero Emission Standard, and in 2017, an adjustment to exclude accelerated depreciation and amortization expenses associated with Generation’s decision to early retire the Three Mile Island nuclear facility.
(h) Adjustment to exclude severance and reorganization costs related to a cost management program.
(i) Adjustment to exclude in 2016 the non-cash impact of the remeasurement of deferred income taxes as a result of changes in forecasted apportionment related to the PHI acquisition, and in 2017, the one-time non-cash impacts associated with the Tax Cuts and Jobs Act (including impacts on pension obligations).
(j) Adjustment to exclude the gain recorded upon deconsolidation of EGTP's net liabilities, which included the previously impaired assets and related debt, as a result of the November 2017 bankruptcy filing.
(k) Adjustment to exclude the reversal of previously accrued vacation expenses as a result of a change in Exelon's vacation vesting policy.
(l) Adjustment to exclude costs incurred as part of the settlement orders approving the PHI acquisition and a charge related to a 2012 CEG merger commitment.
(m) Adjustment to exclude a non-cash benefit pursuant to the annual update of the Generation nuclear decommissioning obligation related to the non-regulatory units.
(n) Adjustment to exclude the one-time recognition for a loss on sale of assets and asset impairment charges pursuant to Generation’s strategic decision in the fourth quarter of 2016 to narrow the scope and scale of its growth and development activities.
(o) Represents charges to adjust the environmental reserve associated with future remediation of the West Lake Landfill Superfund Site.
(p) Adjustment to exclude the elimination from Generation’s results of the noncontrolling interests related to certain exclusion items, primarily related to the impact of unrealized gains and losses on NDT fund investments at CENG.
(q) The effective tax rate related to GAAP Net Income for the three months ended December 31, 2017 includes the impact of the Tax Cuts and Jobs Act.
(r) The effective tax rate related to Adjusted (non-GAAP) Operating Earnings is 40.8% and 38.8% for the three months ended December 31, 2017 and 2016, respectively.

**EXELON CORPORATION**
**GAAP Consolidated Statements of Operations and**
**Adjusted (non-GAAP) Operating Earnings Reconciling Adjustments**
(unaudited)
(in millions, except per share data)

| | Twelve Months Ended December 31, 2017 | | | Twelve Months Ended December 31, 2016 | | |
|---|---|---|---|---|---|---|
| | GAAP (a) | Non-GAAP Adjustments | | GAAP (a) | Non-GAAP Adjustments | |
| **Operating revenues** | $ 33,531 | $ 170 | (b),(d) | $ 31,360 | $ 545 | (b),(d),(e) |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | 14,035 | (72) | (b),(d),(h) | 12,640 | 395 | (b),(d),(h) |
| Operating and maintenance | 10,126 | (686) | (e),(g),(h),(i),(j),(l),(p),(r) | 10,048 | (849) | (e),(f),(g),(h),(j),(l),(q) |
| Depreciation and amortization | 3,828 | (252) | (d),(h) | 3,936 | (704) | (e),(h) |
| Taxes other than income | 1,731 | 2 | (p) | 1,576 | (1) | (j) |
| **Total operating expenses** | 29,720 | | | 28,200 | | |
| **Gain (Loss) on sales of assets** | 3 | 1 | (h) | (48) | 57 | (h),(q) |
| **Bargain purchase gain** | 233 | (233) | (n) | — | — | |
| **Gain on deconsolidation of business** | 213 | (213) | (o) | — | — | |
| **Operating income** | 4,260 | | | 3,112 | | |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (1,560) | 58 | (g),(k),(m) | (1,536) | 153 | (k) |
| Other, net | 1,056 | (638) | (c),(i),(k) | 413 | (124) | (c),(h),(k),(q) |
| **Total other income and (deductions)** | (504) | | | (1,123) | | |
| **Income before income taxes** | 3,756 | | | 1,989 | | |
| **Income taxes** | (125) | 1,566 | (b),(c),(d),(e),(f),(g),(h),(i),(j),(k),(l),(m),(o),(p),(r) | 761 | 538 | (b),(c),(d),(e),(f),(g),(h),(i),(j),(k),(l),(q) |
| **Equity in losses of unconsolidated affiliates** | (32) | — | | (24) | — | |
| **Net income** | 3,849 | | | 1,204 | | |
| **Net income attributable to noncontrolling interests and preference stock dividends** | 79 | (114) | (s) | 70 | (102) | (s) |
| **Net income attributable to common shareholders** | $ 3,770 | | | $ 1,134 | | |
| **Effective tax rate**[t][u] | (3.3)% | | | 38.3% | | |
| **Earnings per average common share** | | | | | | |
| Basic | $ 3.98 | | | $ 1.23 | | |
| Diluted | $ 3.97 | | | $ 1.22 | | |
| **Average common shares outstanding** | | | | | | |
| Basic | 947 | | | 924 | | |
| Diluted | 949 | | | 927 | | |
| **Effect of adjustments on earnings per average diluted common share recorded in accordance with GAAP:** | | | | | | |
| Mark-to-market impact of economic hedging activities (b) | | $ 0.11 | | | $ 0.03 | |
| Unrealized gains related to NDT fund investments (c) | | (0.34) | | | (0.13) | |
| Amortization of commodity contract intangibles (d) | | 0.04 | | | 0.04 | |
| Merger and integration costs (e) | | 0.04 | | | 0.12 | |
| Merger commitments (f) | | (0.14) | | | 0.47 | |
| Long-lived asset impairments (g) | | 0.34 | | | 0.11 | |
| Plant retirements and divestitures (h) | | 0.22 | | | 0.47 | |
| Reassessment of deferred income taxes (i) | | (1.37) | | | 0.01 | |
| Cost management program (j) | | 0.04 | | | 0.04 | |
| Like-kind exchange tax position (k) | | (0.03) | | | 0.21 | |
| Asset retirement obligation (l) | | — | | | (0.08) | |
| Tax settlements (m) | | (0.01) | | | — | |
| Bargain purchase gain (n) | | (0.25) | | | — | |
| Gain on Deconsolidation of Business (o) | | (0.14) | | | — | |
| Vacation policy change (p) | | (0.03) | | | — | |
| Curtailment of generation growth and development activities (q) | | — | | | 0.06 | |
| Change in environmental remediation liabilities (r) | | 0.03 | | | — | |
| Noncontrolling interests (s) | | 0.12 | | | 0.11 | |
| Total adjustments | | $ (1.37) | | | $ 1.46 | |

As a result of the PHI acquisition completion on March 23, 2016, the table includes financial results for PHI beginning on March 24, 2016 to December 31, 2017. Therefore, the results of operations from 2017 and 2016 are not comparable for Exelon. The explanations below identify any other significant or unusual items affecting the results of operations.

(a) Results reported in accordance with accounting principles generally accepted in the United States (GAAP).
(b) Adjustment to exclude the mark-to-market impact of Exelon’s economic hedging activities, net of intercompany eliminations.
(c) Adjustment to exclude the impact of unrealized gains on NDT fund investments to the extent not offset by contractual accounting as described in the notes to the consolidated financial statements.
(d) Adjustment to exclude the non-cash amortization of intangible assets, net, primarily related to commodity contracts recorded at fair value related to, in 2016, the Integrys and ConEdison Solutions acquisitions, and in 2017, the ConEdison Solutions and FitzPatrick acquisitions.
(e) Adjustment to exclude certain costs associated with mergers and acquisitions, including, if and when applicable, professional fees, employee-related expenses and integration activities related to the PHI and FitzPatrick acquisitions.
(f) Adjustment to exclude costs incurred as part of the settlement orders approving the PHI acquisition, and in 2016, a charge related to a 2012 CEG merger commitment, and in 2017, a decrease in reserves for uncertain tax positions related to the deductibility of certain merger commitments associated with the 2012 CEG and 2016 PHI acquisitions.
(g) Adjustment to exclude charges to earnings related to the impairment of upstream assets and certain wind projects at Generation in 2016, and in 2017, impairments of the ExGen Texas Power, LLC (EGTP) assets and PHI District of Columbia sponsorship intangible asset.
(h) Adjustment to exclude in 2016, accelerated depreciation and amortization expenses through December 2016 and construction work in progress impairments associated with Generation’s previous decision to early retire the Clinton and Quad Cities nuclear facilities, partially offset by a gain associated with Generation’s sale of the New Boston generating site, and in 2017, primarily reflects accelerated depreciation and amortization expenses, increases to materials and supplies inventory reserves, construction work in progress impairments and charges for severance reserves associated with Generation’s decision to early retire the Three Mile Island nuclear facility.
(i) Adjustment to exclude in 2016 the non-cash impact of the remeasurement of deferred income taxes as a result of changes in forecasted apportionment related to the PHI acquisition, and in 2017, one-time non-cash impacts associated with remeasurements of deferred income taxes as a result of the Tax Cuts and Jobs Act (including impacts on pension obligations), changes in the Illinois and District of Columbia statutory tax rates and changes in forecasted apportionment.
(j) Adjustment to exclude severance and reorganization costs related to a cost management program.
(k) Adjustment to exclude in 2016 the recognition of a penalty and associated interest expense as a result of a tax court decision on Exelon’s like-kind exchange tax position, and in 2017, adjustments to income tax, penalties and interest expenses as a result of the finalization of the IRS tax computation related to Exelon’s like-kind exchange tax position.
(l) Adjustment to exclude a non-cash benefit pursuant to the annual update of the Generation nuclear decommissioning obligation related to the non-regulatory units.
(m) Adjustment to exclude benefits related to the favorable settlement in 2017 of certain income tax positions related to PHI's unregulated business interests that were transferred to Generation.
(n) Adjustment to exclude the excess of the fair value of assets and liabilities acquired over the purchase price for the FitzPatrick acquisition.
(o) Adjustment to exclude the gain recorded upon deconsolidation of EGTP's net liabilities, which included the previously impaired assets and related debt, as a result of the November 2017 bankruptcy filing.
(p) Adjustment to exclude the reversal of previously accrued vacation expenses as a result of a change in Exelon's vacation vesting policy.
(q) Adjustment to exclude the one-time recognition for a loss on sale of assets and asset impairment charges pursuant to Generation’s strategic decision in the fourth quarter of 2016 to narrow the scope and scale of its growth and development activities.
(r) Represents charges to adjust the environmental reserve associated with future remediation of the West Lake Landfill Superfund Site.
(s) Adjustment to exclude the elimination from Generation’s results of the noncontrolling interests related to certain exclusion items, primarily related to the impact of unrealized gains and losses on NDT fund investments at CENG.
(t) The effective tax rate related to GAAP Net Income for the twelve months ended December 31, 2017 includes the impact of the Tax Cuts and Jobs Act.
(u) The effective tax rate related to Adjusted (non-GAAP) Operating Earnings is 36.9% and 34.4% for the twelve months ended December 31, 2017 and 2016, respectively.

**EXELON CORPORATION**
**Reconciliation of Adjusted (non-GAAP) Operating**
**Earnings to GAAP Net Income (in millions)**
Three Months Ended December 31, 2017 and 2016
(unaudited)

| | **Exelon Earnings per Diluted Share** | **Generation** | **ComEd** | **PECO** | **BGE** | **PHI (a)** | **Other(b)** | **Exelon** |
|---|---|---|---|---|---|---|---|---|
| **2016 GAAP Net Income (Loss)** | **$ 0.22** | **$ (41)** | **$ 80** | **$ 92** | **$ 103** | **$ 30** | **$ (60)** | **$ 204** |
| **2016 Adjusted (non-GAAP) Operating (Earnings) Loss Adjustments:** | | | | | | | | |
| Mark-to-Market Impact of Economic Hedging Activities (net of taxes of $28) | (0.05) | (44) | — | — | — | — | — | (44) |
| Unrealized Losses Related to NDT Fund Investments (net of taxes of $13) (1) | 0.01 | 9 | — | — | — | — | — | 9 |
| Amortization of Commodity Contract Intangibles (net of taxes of $16) (2) | 0.03 | 26 | — | — | — | — | — | 26 |
| Merger and Integration Costs (net of taxes of $9, $0, $1, $1, $3, $0 and $14, respectively) (3) | 0.02 | 15 | 1 | 1 | 1 | 4 | 1 | 23 |
| Merger Commitments (net of taxes of $9, $2, $1 and $12, respectively) (4) | 0.04 | 40 | — | — | — | 8 | (10) | 38 |
| Long-Lived Asset Impairments (net of taxes of $1) (5) | — | — | — | — | — | — | (1) | (1) |
| Plant Retirements and Divestitures (net of taxes of $59) (6) | 0.10 | 94 | — | — | — | — | — | 94 |
| Cost Management Program (net of taxes of $3, $1, $1 and $5, respectively) (7) | 0.01 | 6 | — | 1 | 1 | — | — | 8 |
| Reassessment of Deferred Income Taxes (entire amount represents tax expense) (8) | 0.01 | 14 | — | — | — | — | (4) | 10 |
| Asset Retirement Obligation (net of taxes of $14) (9) | (0.08) | (75) | — | — | — | — | — | (75) |
| Curtailment of Generation Growth and Development Activities (net of taxes of $35) (10) | 0.06 | 57 | — | — | — | — | — | 57 |
| Noncontrolling Interests (net of taxes of $1) (11) | 0.07 | 61 | — | — | — | — | — | 61 |
| **2016 Adjusted (non-GAAP) Operating Earnings (Loss)** | **0.44** | **162** | **81** | **94** | **105** | **42** | **(74)** | **410** |
| **Year Over Year Effects on Earnings:** | | | | | | | | |
| ComEd, PECO, BGE and PHI Margins: | | | | | | | | |
| Weather | 0.02 | — | — (c) | 13 | — (c) | 4 (c) | — | 17 |
| Load | — | — | 4 (c) | (5) | — (c) | (1) (c) | — | (2) |
| Other Energy Delivery (15) | 0.04 | — | (1) (d) | 1 (d) | 13 (d) | 30 (d) | — | 43 |
| Generation Energy Margins, Excluding Mark-to-Market: | | | | | | | | |
| Nuclear Volume (16) | 0.04 | 37 | — | — | — | — | — | 37 |
| Nuclear Fuel Cost (17) | — | — | — | — | — | — | — | — |
| Capacity Pricing (18) | 0.05 | 49 | — | — | — | — | — | 49 |
| Zero Emission Credit Revenue (19) | 0.08 | 74 | — | — | — | — | — | 74 |
| Market and Portfolio Conditions (20) | (0.09) | (83) | — | — | — | — | — | (83) |
| Operating and Maintenance Expense: | | | | | | | | |
| Labor, Contracting and Materials (21) | 0.04 | 13 | 18 | (1) | 6 | (1) | — | 35 |
| Planned Nuclear Refueling Outages (22) | — | (4) | — | — | — | — | — | (4) |
| Pension and Non-Pension Postretirement Benefits (23) | — | (4) | (1) | — | 1 | 2 | (1) | (3) |
| Other Operating and Maintenance (24) | 0.05 | 25 | 33 | (3) | (28) | 8 | 19 | 54 |
| Depreciation and Amortization Expense (25) | (0.03) | (3) | (11) | (2) | (6) | (2) | (1) | (25) |
| Interest Expense, Net | — | 1 | — | (2) | 1 | (1) | (2) | (3) |
| Income Taxes (26) | (0.04) | 10 | (1) | (1) | (7) | (32) | (4) | (35) |
| Equity in Earnings of Unconsolidated Affiliates | — | 1 | — | — | — | — | — | 1 |
| Noncontrolling Interests (27) | (0.03) | (27) | — | — | — | — | — | (27) |
| Other | — | 1 | 1 | 1 | (3) | (1) | (1) | (2) |
| Share Differential (28) | (0.02) | — | — | — | — | — | — | — |
| **2017 Adjusted (non-GAAP) Operating Earnings (Loss)** | **0.55** | **252** | **123** | **95** | **82** | **48** | **(64)** | **536** |
| **2017 Adjusted (non-GAAP) Operating Earnings (Loss) Adjustments:** | | | | | | | | |
| Mark-to-Market Impact of Economic Hedging Activities (net of taxes of $6, $1 and $7, respectively) | (0.01) | (9) | — | — | — | — | 1 | (8) |
| Unrealized Gains Related to NDT Fund Investments (net of taxes of $67) (1) | 0.12 | 108 | — | — | — | — | — | 108 |
| Amortization of Commodity Contract Intangibles (net of taxes of $5) (2) | (0.01) | (8) | — | — | — | — | — | (8) |
| Merger and Integration Costs (net of taxes of $0, $1, $0 and $1, respectively) (3) | — | (1) | — | — | (1) | — | 1 | (1) |
| Long-Lived Asset Impairments (net of taxes of $8, $9, $1 and $16, respectively) (5) | (0.03) | (12) | — | — | — | (16) | (1) | (29) |
| Plant Retirements and Divestitures (net of taxes of $45) (6) | (0.07) | (70) | — | — | — | — | — | (70) |
| Cost Management Program (net of taxes of $5, $1, $0 and $6, respectively) (7) | (0.01) | (8) | — | (1) | (1) | — | — | (10) |
| Reassessment of Deferred Income Taxes (entire amount represents tax expense) (8) | 1.30 | 1,874 | (3) | 12 | (5) | (33) | (588) | 1,257 |
| Gain on Deconsolidation of Business (net of taxes of $83) (12) | 0.14 | 130 | — | — | — | — | — | 130 |
| Vacation Policy Change (net of taxes of $16, $1, $1, $3 and $21, respectively) (13) | 0.03 | 26 | — | 1 | 1 | 5 | — | 33 |
| Change in Environmental Remediation Liabilities (net of taxes of $17) (14) | (0.03) | (27) | — | — | — | — | — | (27) |
| Noncontrolling Interests (net of taxes of $8) (11) | (0.04) | (40) | — | — | — | — | — | (40) |
| **2017 GAAP Net Income (Loss)** | **$ 1.94** | **$ 2,215** | **$ 120** | **$ 107** | **$ 76** | **$ 4** | **$ (651)** | **$ 1,871** |

Note:
Unless otherwise noted, the income tax impact of each reconciling item between GAAP Net Income and Adjusted (non-GAAP) Operating Earnings is based on the marginal statutory federal and state income tax rates for each Registrant, taking into account whether the income or expense item is taxable or deductible, respectively, in whole or in part. For all items except the unrealized gains and losses related to NDT fund investments, the marginal statutory income tax rates ranged from 39.0 percent to 41.0 percent. Under IRS regulations, NDT fund investment returns are taxed at differing rates for investments in qualified vs. non-qualified funds. The tax rates applied to unrealized gains and losses related to NDT fund investments were 49.5 percent and 76.2 percent for the three months ended December 31, 2017 and 2016, respectively.

(a) PHI consolidated results include Potomac Electric Power Company, Delmarva Power & Light Company and Atlantic City Electric Company.
(b) Other primarily includes eliminating and consolidating adjustments, Exelon’s corporate operations, shared service entities and other financing and investment activities.
(c) For BGE, Pepco and DPL Maryland and beginning in 2017 for ComEd, customer rates are adjusted to eliminate the impacts of weather and customer usage on distribution volumes.
(d) For regulatory recovery mechanisms, including ComEd’s distribution formula rate, ComEd, BGE and PHI utilities transmission formula rates, and riders across all utilities, revenues increase and decrease i) as fully recoverable costs fluctuate (with no impact on net earnings), and ii) pursuant to changes in rate base, capital structure and ROE (which impact net earnings).
(1) Reflects the impact of unrealized gains and losses on NDT fund investments to the extent not offset by contractual accounting as described in the notes to the consolidated financial statements.
(2) Represents the non-cash amortization of intangible assets, net, primarily related to commodity contracts recorded at fair value related to, in 2016, the Integrys and ConEdison Solutions acquisitions, and in 2017, the ConEdison Solutions and FitzPatrick acquisitions.
(3) Primarily reflects certain costs associated with mergers and acquisitions, including, if and when applicable, professional fees, employee-related expenses and integration activities related to the PHI and FitzPatrick acquisitions.
(4) Represents costs incurred as part of the settlement orders approving the PHI acquisition and a charge related to a 2012 CEG merger commitment.
(5) Primarily reflects charges to earnings related to the PHI 2017 impairment of the District of Columbia sponsorship intangible asset.
(6) In 2016, primarily reflects incremental accelerated depreciation and amortization expenses from June 2, 2016 through December 6, 2016 pursuant to the second quarter decision to early retire the Clinton and Quad Cities nuclear generation facilities, which decision was reversed in December 2016, partially offset by the reversal of certain one-time charges for materials & supplies inventory reserves and severance reserves upon Generation’s decision to continue operating the plants with the passage of the Illinois Zero Emission Standard. In 2017, primarily reflects accelerated depreciation and amortization expenses associated with Generation’s decision to early retire the Three Mile Island nuclear facility.
(7) Represents severance and reorganization costs related to a cost management program.
(8) Reflects in 2016 the non-cash impact of the remeasurement of deferred income taxes as a result of changes in forecasted apportionment related to the PHI acquisition, and in 2017, the one-time non-cash impacts associated with the Tax Cuts and Jobs Act (including impacts on pension obligations contained within Other).
(9) Reflects a non-cash benefit pursuant to the annual update of the Generation nuclear decommissioning obligation related to the non-regulatory units.
(10) Reflects the one-time recognition for a loss on sale of assets and asset impairment charges pursuant to Generation’s strategic decision in the fourth quarter of 2016 to narrow the scope and scale of its growth and development activities.
(11) Represents elimination from Generation’s results of the noncontrolling interests related to certain exclusion items, primarily related to the impact of unrealized gains and losses on NDT fund investments at CENG.
(12) Represents the gain recorded upon deconsolidation of EGTP's net liabilities, which included the previously impaired assets and related debt, as a result of the November 2017 bankruptcy filing.
(13) Represents the reversal of previously accrued vacation expenses as a result of a change in Exelon's vacation vesting policy.
(14) Represents charges to adjust the environmental reserve associated with future remediation of the West Lake Landfill Superfund Site.
(15) For ComEd, primarily reflects lower revenues resulting from the change to defer and recover over time energy efficiency costs pursuant to the Illinois Future Energy Jobs Act, almost entirely offset by increased electric distribution and transmission formula rate revenues (due to increased capital investments and higher electric distribution ROE, which is due to an increase in treasury rates). For BGE and PHI, primarily reflects increased revenue as a result of rate increases.
(16) Primarily reflects the acquisition of the FitzPatrick nuclear facility and increased nuclear output.
(17) Primarily reflects a decrease in fuel prices, offset by increased nuclear output as a result of the FitzPatrick acquisition.
(18) Primarily reflects increased capacity prices in the New England, Midwest and Mid-Atlantic regions.
(19) Reflects the impact of the New York Clean Energy Standard.
(20) Primarily reflects lower realized energy prices and the conclusion of the Ginna Reliability Support Services Agreement, partially offset by the addition of two combined-cycle gas turbines in Texas.
(21) Primarily reflects decreased variable compensation costs across the operating companies, partially offset at Generation by increased costs related to the acquisition of the FitzPatrick nuclear facility.
(22) Primarily reflects the impact of increased refueling outage costs given an increased scope of outage activities, despite decreased outage days excluding Salem.
(23) Primarily reflects the unfavorable impact of lower pension and OPEB discount rates, partially offset by the favorable impact of lower health care claims experience.
(24) For Generation, primarily reflects the impact of an increased NEIL insurance credit. For ComEd, primarily reflects the change to defer and recover over time energy efficiency costs pursuant to the Illinois Future Energy Jobs Act. For BGE, primarily reflects the favorable 2016 settlement of the Baltimore City conduit fee dispute and an increase in uncollectible accounts expense.
(25) For Generation, reflects increased depreciation for the addition of two combined-cycle gas turbines in Texas, partially offset by the absence of depreciation related to EGTP assets. Additionally, primarily reflects increased depreciation from ongoing capital expenditures across all operating companies.
(26) For Generation, primarily reflects the favorable change in one-time tax adjustments. Additionally, primarily reflects 2017 impairments at ComEd, BGE, and PHI of certain transmission-related income tax regulatory assets.
(27) Reflects elimination from Generation’s results of activity attributable to noncontrolling interests, primarily for CENG and the Renewables Joint Venture.
(28) Reflects the impact on earnings per share due to the increase in Exelon’s average diluted common shares outstanding as a result of the June 2017 common stock issuance.

**EXELON CORPORATION**
**Reconciliation of Adjusted (non-GAAP) Operating**
**Earnings to GAAP Net Income (in millions)**
Twelve Months Ended December 31, 2017 and 2016
(unaudited)

| | Exelon Earnings per Diluted Share | Generation | ComEd | PECO | BGE | PHI (a) | Other (b) | Exelon (a) |
|---|---|---|---|---|---|---|---|---|
| **2016 GAAP Net Income (Loss)** | **$ 1.22** | **$ 496** | **$ 378** | **$ 438** | **$ 286** | **$ (61)** | **$ (403)** | **$ 1,134** |
| **2016 Adjusted (non-GAAP) Operating (Earnings) Loss Adjustments:** | | | | | | | | |
| Mark-to-Market Impact of Economic Hedging Activities (net of taxes of $18) | 0.03 | 24 | — | — | — | — | — | 24 |
| Unrealized Gains Related to NDT Fund Investments (net of taxes of $77) (1) | (0.13) | (118) | — | — | — | — | — | (118) |
| Amortization of Commodity Contract Intangibles (net of taxes of $22) (2) | 0.04 | 35 | — | — | — | — | — | 35 |
| Merger and Integration Costs (net of taxes of $22, $2, $2, $28, $0, and $50, respectively) (3) | 0.12 | 35 | (3) | 3 | — | 42 | 37 | 114 |
| Merger Commitments (net of taxes of $10, $77, $39 and $126, respectively) (4) | 0.47 | 42 | — | — | — | 247 | 148 | 437 |
| Long-Lived Asset Impairments (net of taxes of $68) (5) | 0.11 | 103 | — | — | — | — | — | 103 |
| Plant Retirements and Divestitures (net of taxes of $273) (6) | 0.47 | 432 | — | — | — | — | — | 432 |
| Reassessment of Deferred Income Taxes (entire amount represents tax expense) (7) | 0.01 | 20 | — | — | — | — | (10) | 10 |
| Cost Management Program (net of taxes of $17, $2, $2 and $21, respectively) (8) | 0.04 | 28 | — | 3 | 3 | — | — | 34 |
| Like-Kind Exchange Tax Position (net of taxes of $42, $19 and $61, respectively) (9) | 0.21 | — | 149 | — | — | — | 50 | 199 |
| Asset Retirement Obligation (net of taxes of $13) (10) | (0.08) | (75) | — | — | — | — | — | (75) |
| Curtailment of Generation Growth and Development Activities (net of taxes of $35) (11) | 0.06 | 57 | — | — | — | — | — | 57 |
| Noncontrolling Interests (net of taxes of $9) (12) | 0.11 | 102 | — | — | — | — | — | 102 |
| **2016 Adjusted (non-GAAP) Operating Earnings (Loss)** | **2.68** | **1,181** | **524** | **444** | **289** | **228** | **(178)** | **2,488** |
| **Year Over Year Effects on Earnings:** | | | | | | | | |
| ComEd, PECO, BGE and PHI Margins: | | | | | | | | |
| Weather | (0.05) | — | (21) (c) | (14) | — (c) | (8) (c) | — | (43) |
| Load | (0.01) | — | (3) (c) | (9) | — (c) | 3 (c) | — | (9) |
| Other Energy Delivery (18) | 0.64 | — | 88 (d) | (4) (d) | 62 (d) | 462 (d) | — | 608 |
| Generation Energy Margins, Excluding Mark-to-Market: | | | | | | | | |
| Nuclear Volume (19) | 0.11 | 106 | — | — | — | — | — | 106 |
| Nuclear Fuel Cost (20) | 0.01 | 12 | — | — | — | — | — | 12 |
| Capacity Pricing (21) | 0.07 | 64 | — | — | — | — | — | 64 |
| Zero Emission Credit Revenue (22) | 0.20 | 192 | — | — | — | — | — | 192 |
| Market and Portfolio Conditions (23) | (0.43) | (412) | — | — | — | — | — | (412) |
| Operating and Maintenance Expense: | | | | | | | | |
| Labor, Contracting and Materials (24) | (0.10) | (32) | 24 | (10) | 7 | (85) | — | (96) |
| Planned Nuclear Refueling Outages (25) | (0.07) | (69) | — | — | — | — | — | (69) |
| Pension and Non-Pension Postretirement Benefits (26) | (0.01) | (6) | (2) | 2 | 2 | (4) | (2) | (10) |
| Other Operating and Maintenance (27) | 0.03 | (12) | 38 | 11 | 7 | (54) | 37 | 27 |
| Depreciation and Amortization Expense (28) | (0.22) | (19) | (45) | (9) | (30) | (95) | (7) | (205) |
| Interest Expense, Net (29) | (0.08) | (27) | 6 | (2) | (2) | (29) | (20) | (74) |
| Income Taxes (30) | (0.06) | (16) | (12) | 12 | (17) | (27) | — | (60) |
| Equity in Earnings of Unconsolidated Affiliates | (0.01) | (5) | — | — | — | — | — | (5) |
| Noncontrolling Interests (31) | — | (2) | — | — | — | — | — | (2) |
| Other (32) | (0.04) | 18 | (5) | 6 | — | (53) | (7) | (41) |
| Share Differential (33) | (0.06) | — | — | — | — | — | — | — |
| **2017 Adjusted (non-GAAP) Operating Earnings (Loss)** | **2.60** | **973** | **592** | **427** | **318** | **338** | **(177)** | **2,471** |
| **2017 Adjusted (non-GAAP) Operating Earnings (Loss) Adjustments:** | | | | | | | | |
| Mark-to-Market Impact of Economic Hedging Activities (net of taxes of $66, $2 and $68, respectively) | (0.11) | (109) | — | — | — | — | 2 | (107) |
| Unrealized Gains Related to NDT Fund Investments (net of taxes of $204) (1) | 0.34 | 318 | — | — | — | — | — | 318 |
| Amortization of Commodity Contract Intangibles (net of taxes of $22) (2) | (0.04) | (34) | — | — | — | — | — | (34) |
| Merger and Integration Costs (net of taxes of $27, $0, $2, $2, $7, $1 and $25, respectively) (3) | (0.04) | (44) | (1) | (2) | (2) | 10 | (1) | (40) |
| Merger Commitments (net of taxes of $18, $52, $67 and $137, respectively) (4) | 0.14 | 18 | — | — | — | 59 | 60 | 137 |
| Long-Lived Asset Impairments (net of taxes of $194, $9, $1 and $204, respectively) (5) | (0.34) | (306) | — | — | — | (16) | 1 | (321) |
| Plant Retirements and Divestitures (net of taxes of $133, $1 and $134, respectively) (6) | (0.22) | (208) | — | — | — | — | 1 | (207) |
| Reassessment of Deferred Income Taxes (entire amount represents tax expense) (7) | 1.37 | 1,856 | (1) | 12 | (5) | (34) | (529) | 1,299 |
| Cost Management Program (net of taxes of $15, $3, $3 and $21, respectively) (8) | (0.04) | (25) | — | (4) | (5) | — | — | (34) |
| Like-Kind Exchange Tax Position (net of taxes of $9, $75 and $66, respectively) (9) | 0.03 | — | (23) | — | — | — | 49 | 26 |
| Asset Retirement Obligation (net of taxes of $1) (10) | — | 2 | — | — | — | — | — | 2 |
| Tax Settlements (net of taxes of $1) (13) | 0.01 | 5 | — | — | — | — | — | 5 |
| Bargain Purchase Gain (net of taxes of $0) (14) | 0.25 | 233 | — | — | — | — | — | 233 |
| Gain on Deconsolidation of Business (net of taxes of $83) (15) | 0.14 | 130 | — | — | — | — | — | 130 |
| Vacation Policy Change (net of taxes of $16, $1, $1, $3 and $21, respectively) (16) | 0.03 | 26 | — | 1 | 1 | 5 | — | 33 |
| Change in Environmental Remediation Liabilities (net of taxes of $17) (17) | (0.03) | (27) | — | — | — | — | — | (27) |
| Noncontrolling Interests (net of taxes of $24) (12) | (0.12) | (114) | — | — | — | — | — | (114) |
| **2017 GAAP Net Income (Loss)** | **$ 3.97** | **$ 2,694** | **$ 567** | **$ 434** | **$ 307** | **$ 362** | **$ (594)** | **$ 3,770** |

Note:
Unless otherwise noted, the income tax impact of each reconciling item between GAAP Net Income and Adjusted (non-GAAP) Operating Earnings is based on the marginal statutory federal and state income tax rates for each Registrant, taking into account whether the income or expense item is taxable or deductible, respectively, in whole or in part. For all items except the unrealized gains and losses related to NDT fund investments, the marginal statutory income tax rates ranged from 39.0 percent to 41.0 percent. Under IRS regulations, NDT fund investment returns are taxed at differing rates for investments in qualified vs. non-qualified funds. The tax rates applied to unrealized gains and losses related to NDT fund investments were 47.4 percent and 48.7 percent for the twelve months ended December 31, 2017 and 2016, respectively.

(a) For the twelve months ended December 31, 2016, includes financial results for PHI beginning on March 24, 2016, the day after the merger was completed. Therefore, the results of operations from 2017 and 2016 are not comparable for PHI and Exelon. The explanations below identify any other significant or unusual items affecting the results of operations. PHI consolidated results include Potomac Electric Power Company, Delmarva Power & Light Company and Atlantic City Electric Company.
(b) Other primarily includes eliminating and consolidating adjustments, Exelon’s corporate operations, shared service entities and other financing and investment activities.
(c) For BGE, Pepco and DPL Maryland and beginning in 2017 for ComEd, customer rates are adjusted to eliminate the impacts of weather and customer usage on distribution volumes.
(d) For regulatory recovery mechanisms, including ComEd’s distribution formula rate, ComEd, BGE and PHI utilities transmission formula rates, and riders across all utilities, revenues increase and decrease i) as fully recoverable costs fluctuate (with no impact on net earnings), and ii) pursuant to changes in rate base, capital structure and ROE (which impact net earnings).
(1) Reflects the impact of unrealized gains on NDT fund investments to the extent not offset by contractual accounting as described in the notes to the consolidated financial statements.
(2) Represents the non-cash amortization of intangible assets, net, primarily related to commodity contracts recorded at fair value related to, in 2016, the Integrys and ConEdison Solutions acquisitions, and in 2017, the ConEdison Solutions and FitzPatrick acquisitions.
(3) Primarily reflects certain costs associated with mergers and acquisitions, including, if and when applicable, professional fees, employee-related expenses and integration activities related to the PHI and FitzPatrick acquisitions, partially offset in 2016 at ComEd, and in 2017 at PHI, by the anticipated recovery of previously incurred PHI acquisition costs.
(4) Represents costs incurred as part of the settlement orders approving the PHI acquisition, and in 2016, a charge related to a 2012 CEG merger commitment, and in 2017, a decrease in reserves for uncertain tax positions related to the deductibility of certain merger commitments associated with the 2012 CEG and 2016 PHI acquisitions.
(5) Primarily reflects charges to earnings related to the impairment of upstream assets and certain wind projects at Generation in 2016, and in 2017, impairments of the ExGen Texas Power, LLC (EGTP) assets and PHI District of Columbia sponsorship intangible asset.
(6) In 2016, primarily reflects accelerated depreciation and amortization expenses through December 2016 and construction work in progress impairments associated with Generation’s previous decision to early retire the Clinton and Quad Cities nuclear facilities, partially offset by a gain associated with Generation’s sale of the New Boston generating site. In 2017, primarily reflects accelerated depreciation and amortization expenses, increases to materials and supplies inventory reserves, construction work in progress impairments and charges for severance reserves associated with Generation’s decision to early retire the Three Mile Island nuclear facility.
(7) Reflects in 2016 the non-cash impact of the remeasurement of deferred income taxes as a result of changes in forecasted apportionment related to the PHI acquisition, and in 2017, one-time non-cash impacts associated with remeasurements of deferred income taxes as a result of the Tax Cuts and Jobs Act (including impacts on pension obligations contained within Other), changes in the Illinois and District of Columbia statutory tax rates and changes in forecasted apportionment.
(8) Represents severance and reorganization costs related to a cost management program.
(9) Represents in 2016 the recognition of a penalty and associated interest expense as a result of a tax court decision on Exelon’s like-kind exchange tax position, and in 2017, adjustments to income tax, penalties and interest expenses as a result of the finalization of the IRS tax computation related to Exelon’s like-kind exchange tax position.
(10) Reflects a non-cash benefit pursuant to the annual update of the Generation nuclear decommissioning obligation related to the non-regulatory units.
(11) Reflects the one-time recognition for a loss on sale of assets and asset impairment charges pursuant to Generation’s strategic decision in the fourth quarter of 2016 to narrow the scope and scale of its growth and development activities.
(12) Represents elimination from Generation’s results of the noncontrolling interests related to certain exclusion items, primarily related to the impact of unrealized gains and losses on NDT fund investments at CENG.
(13) Reflects benefits related to the favorable settlement in 2017 of certain income tax positions related to PHI's unregulated business interests that were transferred to Generation.
(14) Represents the excess of the fair value of assets and liabilities acquired over the purchase price for the FitzPatrick acquisition.
(15) Represents the gain recorded upon deconsolidation of EGTP's net liabilities, which included the previously impaired assets and related debt, as a result of the November 2017 bankruptcy filing.
(16) Represents the reversal of previously accrued vacation expenses as a result of a change in Exelon's vacation vesting policy.
(17) Represents charges to adjust the environmental reserve associated with future remediation of the West Lake Landfill Superfund Site.
(18) For ComEd, primarily reflects increased distribution and transmission formula rate revenues (due to increased capital investments and higher electric distribution ROE, which is due to an increase in treasury rates), partially offset by lower revenues resulting from the change to defer and recover over time energy efficiency costs pursuant to the Illinois Future Energy Jobs Act. For BGE and PHI, primarily reflects increased revenue as a result of rate increases.
(19) Primarily reflects the acquisition of the FitzPatrick nuclear facility.
(20) Primarily reflects a decrease in fuel prices, partially offset by increased nuclear output as a result of the FitzPatrick acquisition.
(21) Primarily reflects increased capacity prices in the New England region, partially offset by a decrease in January through May capacity prices in the Mid-Atlantic region.
(22) Reflects the impact of the New York Clean Energy Standard.
(23) Primarily reflects lower realized energy prices, the impacts of lower load volumes delivered due to mild weather in the third quarter 2017, the conclusion of the Ginna Reliability Support Services Agreement and the impact of declining natural gas prices on Generation’s natural gas portfolio, partially offset by the addition of two combined-cycle gas turbines in Texas.
(24) For Generation, primarily reflects increased costs related to the acquisition of the FitzPatrick nuclear facility. Additionally, reflects decreased variable compensation costs across the operating companies.
(25) Primarily reflects an increase in the number of nuclear outage days in 2017, excluding Salem.
(26) Primarily reflects the unfavorable impact of lower pension and OPEB discount rates, partially offset by the favorable impact of lower health care claims experience.

(27) For Generation, primarily reflects costs related to the acquisition of FitzPatrick, partially offset by the impact of an increased NEIL insurance credit. For ComEd, primarily reflects the change to defer and recover over time energy efficiency costs pursuant to the Illinois Future Energy Jobs Act. For BGE, primarily reflects certain disallowances contained in 2016 rate case orders and decreased storm costs in the BGE service territory, partially offset by the favorable 2016 settlement of the Baltimore City conduit fee dispute.
(28) For Generation, reflects increased depreciation for the addition of two combined-cycle gas turbines in Texas, offset by the absence of depreciation related to the EGTP assets. For BGE, primarily reflects increased amortization due to the 2016 initiation of cost recovery of the AMI programs. Additionally, primarily reflects increased depreciation from ongoing capital expenditures across all operating companies.
(29) For Generation, primarily reflects the impact of project in-service dates on the capitalization of interest. For Corporate, primarily reflects increased interest expense due to higher outstanding debt, as well as debt issuance costs related to the April 2017 remarketing of Junior Subordinated Notes due in 2024.
(30) For Generation, primarily reflects the unfavorable change in one-time tax adjustments. For PECO, primarily reflects an increase in the repairs tax deduction. Additionally, primarily reflects 2016 favorable adjustments at ComEd and BGE and 2017 impairments at ComEd, BGE, and PHI of certain transmission-related income tax regulatory assets.
(31) Reflects elimination from Generation's results of activity attributable to noncontrolling interests, primarily for CENG and the Renewables Joint Venture.
(32) For Generation, primarily reflects higher realized NDT fund gains, partially offset by increased real estate taxes as a result of the FitzPatrick acquisition.
(33) Reflects the impact on earnings per share due to the increase in Exelon's average diluted common shares outstanding as a result of the June 2017 common stock issuance.

**EXELON CORPORATION**
**GAAP Consolidated Statements of Operations and**
**Adjusted (non-GAAP) Operating Earnings Reconciling Adjustments**
(unaudited)
(in millions)

**Generation**

| | Three Months Ended December 31, 2017 | | | Three Months Ended December 31, 2016 | | |
|---|---|---|---|---|---|---|
| | GAAP (a) | Non-GAAP Adjustments | | GAAP (a) | Non-GAAP Adjustments | |
| **Operating revenues** | $ 4,654 | $ 93 | (b),(d) | $ 4,388 | $ 177 | (b),(d) |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | 2,403 | 61 | (b),(d),(h) | 2,221 | 184 | (b),(h) |
| Operating and maintenance | 1,421 | (38) | (e),(g),(j),(h),(o),(p) | 1,308 | 123 | (e),(f),(h),(j),(k),(r) |
| Depreciation and amortization | 412 | (109) | (h) | 550 | (251) | (h) |
| Taxes other than income | 130 | 2 | (o) | 126 | — | |
| **Total operating expenses** | 4,366 | | | 4,205 | | |
| **Loss on sales of assets** | — | — | | (89) | 89 | (h),(r) |
| **Gain on deconsolidation of business** | 213 | (213) | (n) | — | — | |
| **Operating income** | 501 | | | 94 | | |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (98) | — | | (92) | — | |
| Other, net | 299 | (244) | (c),(i) | 6 | 37 | (c) |
| **Total other income and (deductions)** | 201 | | | (86) | | |
| **Income before income taxes** | 702 | | | 8 | | |
| **Income taxes** | (1,585) | 1,724 | (b),(c),(d),(e),(g),(h),(i),(j),(n),(o),(p) | (3) | 105 | (b),(c),(d),(e),(f),(h),(i),(j),(k),(r) |
| **Equity in losses of unconsolidated affiliates** | (7) | — | | (9) | — | |
| **Net income** | 2,280 | | | 2 | | |
| **Net income attributable to noncontrolling interests** | 65 | (40) | (q) | 43 | (61) | (q) |
| **Net income (loss) attributable to membership interest** | $ 2,215 | | | $ (41) | | |

| | Twelve Months Ended December 31, 2017 | | | Twelve Months Ended December 31, 2016 | | |
|---|---|---|---|---|---|---|
| | GAAP (a) | Non-GAAP Adjustments | | GAAP (a) | Non-GAAP Adjustments | |
| **Operating revenues** | $ 18,466 | $ 170 | (b),(d) | $ 17,751 | $ 553 | (b),(d) |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | 9,690 | (72) | (b),(d),(h) | 8,830 | 395 | (b),(d),(h) |
| Operating and maintenance | 6,291 | (669) | (e),(g),(h),(j),(k),(o),(p) | 5,641 | (213) | (e),(f),(g),(h),(j),(k),(r) |
| Depreciation and amortization | 1,457 | (252) | (d),(h) | 1,879 | (704) | (e),(h) |
| Taxes other than income | 555 | 2 | (o) | 506 | (1) | (j) |
| **Total operating expenses** | 17,993 | | | 16,856 | | |
| **Gain (Loss) on sales of assets** | 2 | 1 | (h) | (59) | 57 | (h),(r) |
| **Bargain purchase gain** | 233 | (233) | (m) | — | — | |
| **Gain on deconsolidation of business** | 213 | (213) | (n) | — | — | |
| **Operating income** | 921 | | | 836 | | |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (440) | 17 | (g),(l) | (364) | — | |
| Other, net | 948 | (636) | (c),(i) | 401 | (230) | (c) |
| **Total other income and (deductions)** | 508 | | | 37 | | |
| **Income before income taxes** | 1,429 | | | 873 | | |
| **Income taxes** | (1,375) | 1,932 | (b),(c),(d),(e),(f),(g),(h),(i),(j),(k),(l),(n),(o),(p) | 290 | 320 | (b),(c),(d),(e),(f),(g),(h),(i),(j),(k),(r) |
| **Equity in losses of unconsolidated affiliates** | (33) | — | | (25) | — | |
| **Net income** | 2,771 | | | 558 | | |
| **Net income attributable to noncontrolling interests** | 77 | (114) | (q) | 62 | (102) | (q) |
| **Net income attributable to membership interest** | $ 2,694 | | | $ 496 | | |

(a) Results reported in accordance with accounting principles generally accepted in the United States (GAAP).
(b) Adjustment to exclude the mark-to-market impact of Exelon's economic hedging activities, net of intercompany eliminations.
(c) Adjustment to exclude the impact of unrealized gains and losses on NDT fund investments to the extent not offset by contractual accounting as described in the notes to the consolidated financial statements.
(d) Adjustment to exclude the non-cash amortization of intangible assets, net, primarily related to commodity contracts recorded at fair value related to, in 2016, the Integrys and ConEdison Solutions acquisitions, and in 2017, the ConEdison Solutions and FitzPatrick acquisitions.
(e) Adjustment to exclude certain costs associated with mergers and acquisitions, including, if and when applicable, professional fees, employee-related expenses and integration activities related to the PHI and FitzPatrick acquisitions.
(f) Adjustment to exclude in 2016 a charge related to a 2012 CEG merger commitment, and in 2017, a decrease in reserves for uncertain tax positions related to the deductibility of certain merger commitments associated with the 2012 CEG acquisition.
(g) Adjustment to exclude charges to earnings related to the impairment of upstream assets and certain wind projects at Generation in 2016, and in 2017, impairments of the ExGen Texas Power, LLC assets.
(h) Adjustment to exclude for the three months ended December 31, 2016, incremental accelerated depreciation and amortization expenses from June 2, 2016 through December 6, 2016 pursuant to the second quarter decision to early retire the Clinton and Quad Cities nuclear generation facilities, which decision was reversed in December 2016, partially offset by the reversal of certain one-time charges for materials & supplies inventory reserves and severance reserves upon Generation's decision to continue operating the plants with the passage of the Illinois Zero Emission Standard; and for the twelve months ended December 31, 2016, accelerated depreciation and amortization expenses through December 2016 and construction work in progress impairments associated with Generation's previous decision to early retire the Clinton and Quad Cities nuclear facilities, partially offset by a gain associated with Generation's sale of the New Boston generating site. Additionally, reflects an adjustment to exclude in 2017 accelerated depreciation and amortization expenses, increases to materials and supplies inventory reserves, construction work in progress impairments and charges for severance reserves associated with Generation's decision to early retire the Three Mile Island nuclear facility.
(i) Adjustment to exclude in 2016 the non-cash impact of the remeasurement of deferred income taxes as a result of changes in forecasted apportionment related to the PHI acquisition, and in 2017, one-time non-cash impacts associated with remeasurements of deferred income taxes as a result of the Tax Cuts and Jobs Act, a change in the Illinois statutory tax rate and changes in forecasted apportionment.
(j) Adjustment to exclude severance and reorganization costs related to a cost management program.
(k) Adjustment to exclude a non-cash benefit pursuant to the annual update of the Generation nuclear decommissioning obligation related to the non-regulatory units.
(l) Adjustment to exclude benefits related to the favorable settlement in 2017 of certain income tax positions related to PHI's unregulated business interests that were transferred to Generation.
(m) Adjustment to exclude the excess of the fair value of assets and liabilities acquired over the purchase price for the FitzPatrick acquisition.
(n) Adjustment to exclude the gain recorded upon deconsolidation of EGTP's net liabilities, which included the previously impaired assets and related debt, as a result of the November 2017 bankruptcy filing.
(o) Adjustment to exclude the reversal of previously accrued vacation expenses as a result of a change in Exelon's vacation vesting policy.
(p) Represents charges to adjust the environmental reserve associated with future remediation of the West Lake Landfill Superfund Site.
(q) Adjustment to exclude the elimination from Generation's results of the noncontrolling interests related to certain exclusion items, primarily related to the impact of unrealized gains and losses on NDT fund investments at CENG.
(r) Adjustment to exclude the one-time recognition for a loss on sale of assets and asset impairment charges pursuant to Generation's strategic decision in the fourth quarter of 2016 to narrow the scope and scale of its growth and development activities.

# EXELON CORPORATION
## GAAP Consolidated Statements of Operations and
## Adjusted (non-GAAP) Operating Earnings Reconciling Adjustments
(unaudited)
(in millions)

### ComEd

| | Three Months Ended December 31, 2017 | | | Three Months Ended December 31, 2016 | | |
|---|---|---|---|---|---|---|
| | GAAP (a) | Non-GAAP Adjustments | | GAAP (a) | Non-GAAP Adjustments | |
| **Operating revenues** | $ 1,309 | $ — | | $ 1,223 | $ — | |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | 399 | — | | 317 | — | |
| Operating and maintenance | 332 | — | | 417 | (1) | (d) |
| Depreciation and amortization | 220 | — | | 201 | — | |
| Taxes other than income | 73 | — | | 71 | — | |
| **Total operating expenses** | 1,024 | | | 1,006 | | |
| **Gain on sales of assets** | 1 | — | | — | — | |
| **Operating income** | 286 | | | 217 | | |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (87) | — | | (87) | — | |
| Other, net | 10 | — | | 8 | — | |
| **Total other income and (deductions)** | (77) | | | (79) | | |
| **Income before income taxes** | 209 | | | 138 | | |
| **Income taxes** | 89 | (3) | (b) | 58 | — | |
| **Net income** | $ 120 | | | $ 80 | | |

| | Twelve Months Ended December 31, 2017 | | | Twelve Months Ended December 31, 2016 | | |
|---|---|---|---|---|---|---|
| | GAAP (a) | Non-GAAP Adjustments | | GAAP (a) | Non-GAAP Adjustments | |
| **Operating revenues** | $ 5,536 | $ — | | $ 5,254 | $ (8) | (d) |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | 1,641 | — | | 1,458 | — | |
| Operating and maintenance | 1,427 | (2) | (d) | 1,530 | (3) | (d) |
| Depreciation and amortization | 850 | — | | 775 | — | |
| Taxes other than income | 296 | — | | 293 | — | |
| **Total operating expenses** | 4,214 | | | 4,056 | | |
| **Gain on sales of assets** | 1 | — | | 7 | — | |
| **Operating income** | 1,323 | | | 1,205 | | |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (361) | 14 | (c) | (461) | 105 | (c) |
| Other, net | 22 | — | | (65) | 86 | (c) |
| **Total other income and (deductions)** | (339) | | | (526) | | |
| **Income before income taxes** | 984 | | | 679 | | |
| **Income taxes** | 417 | (9) | (b),(c),(d) | 301 | 40 | (c),(d) |
| **Net income** | $ 567 | | | $ 378 | | |

(a) Results reported in accordance with accounting principles generally accepted in the United States (GAAP).
(b) Adjustment to exclude one-time non-cash impacts associated with remeasurements of deferred income taxes as a result of the Tax Cuts and Jobs Act and a change in the Illinois statutory tax rate.
(c) Adjustment to exclude in 2016 the recognition of a penalty and associated interest expense as a result of a tax court decision on Exelon's like-kind exchange tax position, and in 2017, adjustments to income tax and interest expenses as a result of the finalization of the IRS tax computation related to Exelon's like-kind exchange tax position.

(d) Adjustment to exclude certain costs associated with mergers and acquisitions, including, if and when applicable, professional fees, employee-related expenses and integration activities related to the PHI acquisition, partially offset in 2016 at ComEd by the anticipated recovery of previously incurred PHI acquisition costs.

# EXELON CORPORATION
## GAAP Consolidated Statements of Operations and
## Adjusted (non-GAAP) Operating Earnings Reconciling Adjustments
(unaudited)
(in millions)

**PECO**

| | Three Months Ended December 31, 2017 | | | Three Months Ended December 31, 2016 | | |
|---|---|---|---|---|---|---|
| | GAAP (a) | Non-GAAP Adjustments | | GAAP (a) | Non-GAAP Adjustments | |
| **Operating revenues** | $ 729 | $ — | | $ 701 | $ — | |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | 250 | — | | 238 | — | |
| Operating and maintenance | 211 | (1) | (d),(e) | 206 | (3) | (b),(d) |
| Depreciation and amortization | 73 | — | | 69 | — | |
| Taxes other than income | 38 | — | | 38 | — | |
| **Total operating expenses** | 572 | | | 551 | | |
| **Operating income** | 157 | | | 150 | | |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (33) | — | | (31) | — | |
| Other, net | 3 | — | | 2 | — | |
| **Total other income and (deductions)** | (30) | | | (29) | | |
| **Income before income taxes** | 127 | | | 121 | | |
| **Income taxes** | 20 | 13 | (c),(d),(e) | 29 | 1 | (b),(d) |
| **Net income** | $ 107 | | | $ 92 | | |

| | Twelve Months Ended December 31, 2017 | | | Twelve Months Ended December 31, 2016 | | |
|---|---|---|---|---|---|---|
| | GAAP (a) | Non-GAAP Adjustments | | GAAP (a) | Non-GAAP Adjustments | |
| **Operating revenues** | $ 2,870 | $ — | | $ 2,994 | $ — | |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | 969 | — | | 1,047 | — | |
| Operating and maintenance | 806 | (9) | (b),(d),(e) | 811 | (10) | (b),(d) |
| Depreciation and amortization | 286 | — | | 270 | — | |
| Taxes other than income | 154 | — | | 164 | — | |
| **Total operating expenses** | 2,215 | | | 2,292 | | |
| **Operating income** | 655 | | | 702 | | |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (126) | — | | (123) | — | |
| Other, net | 9 | — | | 8 | — | |
| **Total other income and (deductions)** | (117) | | | (115) | | |
| **Income before income taxes** | 538 | | | 587 | | |
| **Income taxes** | 104 | 16 | (b),(c),(d),(e) | 149 | 4 | (b),(d) |
| **Net income** | $ 434 | | | $ 438 | | |

(a) Results reported in accordance with accounting principles generally accepted in the United States (GAAP).
(b) Adjustment to exclude certain costs associated with mergers and acquisitions, including, if and when applicable, professional fees, employee-related expenses and integration activities related to the PHI acquisition.
(c) Adjustment to exclude one-time non-cash impacts associated with remeasurements of deferred income taxes as a result of the Tax Cuts and Jobs Act.
(d) Adjustment to exclude reorganization costs related to a cost management program.
(e) Adjustment to exclude the reversal of previously accrued vacation expenses as a result of a change in Exelon's vacation vesting policy.

**EXELON CORPORATION**
**GAAP Consolidated Statements of Operations and**
**Adjusted (non-GAAP) Operating Earnings Reconciling Adjustments**
(unaudited)
(in millions)

**BGE**

| | Three Months Ended December 31, 2017 | | | Three Months Ended December 31, 2016 | | |
|---|---|---|---|---|---|---|
| | GAAP (a) | Non-GAAP Adjustments | | GAAP (a) | Non-GAAP Adjustments | |
| **Operating revenues** | $ 813 | $ — | | $ 812 | $ — | |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | 280 | — | | 300 | — | |
| Operating and maintenance | 184 | (2) | (b),(d),(e) | 149 | (3) | (b),(d) |
| Depreciation and amortization | 125 | — | | 115 | — | |
| Taxes other than income | 61 | — | | 58 | — | |
| **Total operating expenses** | 650 | | | 622 | | |
| **Operating income** | 163 | | | 190 | | |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (25) | — | | (27) | — | |
| Other, net | 4 | — | | 5 | — | |
| **Total other income and (deductions)** | (21) | | | (22) | | |
| **Income before income taxes** | 142 | | | 168 | | |
| **Income taxes** | 66 | (4) | (b),(c),(d),(e) | 65 | 1 | (b),(d) |
| **Net income attributable to common shareholder** | $ 76 | | | $ 103 | | |

| | Twelve Months Ended December 31, 2017 | | | Twelve Months Ended December 31, 2016 | | |
|---|---|---|---|---|---|---|
| | GAAP (a) | Non-GAAP Adjustments | | GAAP (a) | Non-GAAP Adjustments | |
| **Operating revenues** | $ 3,176 | $ — | | $ 3,233 | $ — | |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | 1,133 | — | | 1,294 | — | |
| Operating and maintenance | 716 | (10) | (b),(d),(e) | 737 | (5) | (b),(d) |
| Depreciation and amortization | 473 | — | | 423 | — | |
| Taxes other than income | 240 | — | | 229 | — | |
| **Total operating expenses** | 2,562 | | | 2,683 | | |
| **Operating income** | 614 | | | 550 | | |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (105) | — | | (103) | — | |
| Other, net | 16 | — | | 21 | — | |
| **Total other income and (deductions)** | (89) | | | (82) | | |
| **Income before income taxes** | 525 | | | 468 | | |
| **Income taxes** | 218 | (1) | (b),(c),(d),(e) | 174 | 2 | (b),(d) |
| **Net income** | 307 | | | 294 | | |
| **Preference stock dividends** | — | — | | 8 | — | |
| **Net income attributable to common shareholder** | $ 307 | | | $ 286 | | |

(a) Results reported in accordance with accounting principles generally accepted in the United States (GAAP).
(b) Adjustment to exclude certain costs associated with mergers and acquisitions, including, if and when applicable, professional fees, employee-related expenses and integration activities related to the PHI acquisition.
(c) Adjustment to exclude one-time non-cash impacts associated with remeasurements of deferred income taxes as a result of the Tax Cuts and Jobs Act.
(d) Adjustment to exclude reorganization costs related to a cost management program.
(e) Adjustment to exclude the reversal of previously accrued vacation expenses as a result of a change in Exelon's vacation vesting policy.

**EXELON CORPORATION**
**GAAP Consolidated Statements of Operations and**
**Adjusted (non-GAAP) Operating Earnings Reconciling Adjustments**
(unaudited)
(in millions)

**PHI**

| | Three Months Ended December 31, 2017 | | | Three Months Ended December 31, 2016 | | |
|---|---|---|---|---|---|---|
| | GAAP (a) | Non-GAAP Adjustments | | GAAP (a) | Non-GAAP Adjustments | |
| **Operating revenues** | $ 1,121 | $ — | | $ 1,078 | $ — | |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | 398 | — | | 410 | — | |
| Operating and maintenance | 292 | (12) | (e),(f),(g) | 310 | (17) | (c),(d) |
| Depreciation and amortization | 164 | — | | 160 | — | |
| Taxes other than income | 108 | — | | 107 | — | |
| **Total operating expenses** | 962 | | | 987 | | |
| **Loss on sales of assets** | — | — | | (1) | — | |
| **Operating income** | 159 | | | 90 | | |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (62) | — | | (61) | — | |
| Other, net | 15 | — | | 13 | — | |
| **Total other income and (deductions)** | (47) | | | (48) | | |
| **Income before income taxes** | 112 | | | 42 | | |
| **Income taxes** | 108 | (33) | (e),(f),(g) | 12 | 5 | (c),(d) |
| **Net income** | $ 4 | | | $ 30 | | |

| | Twelve Months Ended December 31, 2017 | | | Twelve Months Ended December 31, 2016 (b) | | |
|---|---|---|---|---|---|---|
| | GAAP (a) | Non-GAAP Adjustments | | GAAP (a) | Non-GAAP Adjustments | |
| **Operating revenues** | $ 4,679 | $ — | | $ 3,643 | $ — | |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | 1,716 | — | | 1,447 | — | |
| Operating and maintenance | 1,068 | 13 | (c),(d),(e),(f),(g) | 1,233 | (392) | (c),(d) |
| Depreciation and amortization | 675 | — | | 515 | — | |
| Taxes other than income | 452 | — | | 354 | — | |
| **Total operating expenses** | 3,911 | | | 3,549 | | |
| **Gain (loss) on sales of assets** | 1 | — | | (1) | — | |
| **Operating income (loss)** | 769 | | | 93 | | |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (245) | — | | (195) | — | |
| Other, net | 54 | — | | 44 | — | |
| **Total other income and (deductions)** | (191) | | | (151) | | |
| **Income (Loss) before income taxes** | 578 | | | (58) | | |
| **Income taxes** | 217 | 10 | (c),(d),(e),(f),(g) | 3 | 103 | (c),(d) |
| **Equity in earnings of unconsolidated affiliates** | 1 | | | — | | |
| **Net income (loss)** | $ 362 | | | $ (61) | | |

(a) Results reported in accordance with accounting principles generally accepted in the United States (GAAP).
(b) For the twelve months ended December 31, 2016, includes financial results for PHI beginning on March 24, 2016, the day after the merger was completed. Therefore, the results of operations from 2017 and 2016 are not comparable for PHI and Exelon. The explanations below identify any other significant or unusual items affecting the results of operations. PHI consolidated results include Potomac Electric Power Company, Delmarva Power & Light Company, and Atlantic City Electric Company.

(c) Adjustment to exclude certain costs associated with mergers and acquisitions, including, if and when applicable, professional fees, employee-related expenses and integration activities related to the PHI acquisition, partially offset in 2017 by the anticipated recovery of previously incurred PHI acquisition costs.
(d) Adjustment to exclude in 2016 costs incurred as part of the settlement orders approving the PHI acquisition, and in 2017, a decrease in reserves for uncertain tax positions related to the deductibility of certain merger commitments associated with the 2016 PHI acquisition.
(e) Adjustment to exclude the impairment of the District of Columbia sponsorship intangible asset.
(f) Adjustment to exclude to exclude one-time non-cash impacts associated with remeasurements of deferred income taxes as a result of the Tax Cuts and Jobs Act.
(g) Adjustment to exclude the reversal of previously accrued vacation expenses as a result of a change in Exelon's vacation vesting policy.

**EXELON CORPORATION**
**GAAP Consolidated Statements of Operations and**
**Adjusted (non-GAAP) Operating Earnings Reconciling Adjustments**
(unaudited)
(in millions)

**Other (a)**

| | Three Months Ended December 31, 2017 | | | Three Months Ended December 31, 2016 | | |
|---|---|---|---|---|---|---|
| | GAAP (b) | Non-GAAP Adjustments | | GAAP (b) | Non-GAAP Adjustments | |
| **Operating revenues** | $ (245) | $ — | | $ (327) | $ — | |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | (222) | — | | (308) | — | |
| Operating and maintenance | (45) | — | | (19) | 8 | (d),(e) |
| Depreciation and amortization | 21 | — | | 20 | — | |
| Taxes other than income | 8 | — | | 8 | — | |
| **Total operating expenses** | (238) | | | (299) | | |
| **(Loss) Gain on sales of assets** | (1) | — | | 1 | — | |
| **Operating loss** | (8) | | | (27) | | |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (60) | — | | (58) | — | |
| Other, net | — | — | | (1) | — | |
| **Total other income and (deductions)** | (60) | | | (59) | | |
| **Loss before income taxes** | (68) | | | (86) | | |
| **Income taxes** | 583 | (587) | (c),(d),(f),(h) | (25) | 6 | (d),(e),(f),(h) |
| **Equity in earnings of unconsolidated affiliates** | 1 | — | | 1 | — | |
| **Net loss** | (650) | | | (60) | | |
| **Net income attributable to noncontrolling interests and preference stock dividends** | 1 | — | | — | — | |
| **Net loss attributable to common shareholders** | $ (651) | | | $ (60) | | |

| | Twelve Months Ended December 31, 2017 | | | Twelve Months Ended December 31, 2016 | | |
|---|---|---|---|---|---|---|
| | GAAP (b) | Non-GAAP Adjustments | | GAAP (b) | Non-GAAP Adjustments | |
| **Operating revenues** | $ (1,196) | $ — | | $ (1,515) | $ — | |
| **Operating expenses** | | | | | | |
| Purchased power and fuel | (1,114) | — | | (1,436) | — | |
| Operating and maintenance | (182) | (9) | (d),(e) | 96 | (226) | (d),(e) |
| Depreciation and amortization | 87 | — | | 74 | — | |
| Taxes other than income | 34 | — | | 30 | — | |
| **Total operating expenses** | (1,175) | | | (1,236) | | |
| **(Loss) Gain on sales of assets** | (1) | — | | 5 | — | |
| **Operating loss** | (22) | | | (274) | | |
| **Other income and (deductions)** | | | | | | |
| Interest expense, net | (283) | 27 | (g) | (290) | 48 | (g) |
| Other, net | 7 | (2) | (g) | 4 | 20 | (g) |
| **Total other income and (deductions)** | (276) | | | (286) | | |
| **Loss before income taxes** | (298) | | | (560) | | |
| **Income taxes** | 294 | (382) | (c),(d),(e),(f),(g),(h) | (156) | 69 | (d),(e),(f),(g) |
| **Equity in earnings of unconsolidated affiliates** | — | — | | 1 | — | |
| **Net income (loss)** | (592) | | | (403) | | |
| **Net income attributable to noncontrolling interests and preference stock dividends** | 2 | — | | — | — | |
| **Net loss attributable to common shareholders** | $ (594) | | | $ (403) | | |

(a) Other primarily includes eliminating and consolidating adjustments, Exelon's corporate operations, shared service entities and other financing and investment activities.
(b) Results reported in accordance with accounting principles generally accepted in the United States (GAAP).

(c) Adjustment to exclude the mark-to-market impact of Exelon's economic hedging activities, net of intercompany eliminations.
(d) Adjustment to exclude certain costs associated with mergers and acquisitions, including, if and when applicable, professional fees, employee-related expenses and integration activities related to the PHI acquisition.
(e) Adjustment to exclude in 2016 costs incurred as part of the settlement orders approving the PHI acquisition, and in 2017, a decrease in reserves for uncertain tax positions related to the deductibility of certain merger commitments associated with the 2016 PHI acquisition.
(f) Adjustment to exclude in 2016 the non-cash impact of the remeasurement of deferred income taxes as a result of changes in forecasted apportionment related to the PHI acquisition, and in 2017, one-time non-cash impacts associated with remeasurements of deferred income taxes as a result of the Tax Cuts and Jobs Act (including impacts on pension obligations), changes in the Illinois and District of Columbia statutory tax rates and changes in forecasted apportionment.
(g) Adjustment to exclude in 2016 the recognition of a penalty and associated interest expense as a result of a tax court decision on Exelon's like-kind exchange tax position, and in 2017, adjustments to income tax, penalties and interest expenses as a result of the finalization of the IRS tax computation related to Exelon's like-kind exchange tax position.
(h) Adjustment to exclude costs related to impairments at Corporate.

## EXELON CORPORATION
## Exelon Generation Statistics

| | Three Months Ended | | | | |
|---|---|---|---|---|---|
| | **December 31, 2017** | **September 30, 2017** | **June 30, 2017** | **March 31, 2017** | **December 31, 2016** |
| **Supply (in GWhs)** | | | | | |
| Nuclear Generation | | | | | |
| Mid-Atlantic[(a)] | 16,196 | 16,480 | 15,246 | 16,545 | 16,410 |
| Midwest | 23,922 | 24,362 | 22,592 | 22,468 | 23,743 |
| New York[(a)(e)] | 7,410 | 6,905 | 6,227 | 4,491 | 4,681 |
| Total Nuclear Generation | 47,528 | 47,747 | 44,065 | 43,504 | 44,834 |
| Fossil and Renewables | | | | | |
| Mid-Atlantic | 459 | 596 | 899 | 836 | 442 |
| Midwest | 430 | 218 | 417 | 418 | 442 |
| New England | 1,258 | 1,919 | 1,925 | 2,077 | 1,142 |
| New York | 1 | 1 | 1 | 1 | 1 |
| ERCOT | 2,684 | 5,703 | 2,315 | 1,370 | 1,056 |
| Other Power Regions[(b)] | 1,213 | 2,149 | 2,084 | 1,423 | 1,935 |
| Total Fossil and Renewables | 6,045 | 10,586 | 7,641 | 6,125 | 5,018 |
| Purchased Power | | | | | |
| Mid-Atlantic | 961 | 2,541 | 2,901 | 3,398 | 2,849 |
| Midwest | 355 | 217 | 413 | 388 | 400 |
| New England | 4,596 | 4,513 | 4,343 | 5,064 | 4,768 |
| New York | — | — | — | 28 | — |
| ERCOT | 1,622 | 1,199 | 1,871 | 2,655 | 3,189 |
| Other Power Regions[(b)] | 4,173 | 3,982 | 3,507 | 2,868 | 3,308 |
| Total Purchased Power | 11,707 | 12,452 | 13,035 | 14,401 | 14,514 |
| Total Supply/Sales by Region | | | | | |
| Mid-Atlantic[(c)] | 17,616 | 19,617 | 19,046 | 20,779 | 19,701 |
| Midwest[(c)] | 24,707 | 24,797 | 23,422 | 23,274 | 24,585 |
| New England | 5,854 | 6,432 | 6,268 | 7,141 | 5,910 |
| New York | 7,411 | 6,906 | 6,228 | 4,520 | 4,682 |
| ERCOT | 4,306 | 6,902 | 4,186 | 4,025 | 4,245 |
| Other Power Regions[(b)] | 5,386 | 6,131 | 5,591 | 4,291 | 5,243 |
| **Total Supply/Sales by Region** | 65,280 | 70,785 | 64,741 | 64,030 | 64,366 |

| | Three Months Ended | | | | |
|---|---|---|---|---|---|
| | **December 31, 2017** | **September 30, 2017** | **June 30, 2017** | **March 31, 2017** | **December 31, 2016** |
| **Outage Days[(d)]** | | | | | |
| Refueling[(e)] | 60 | 13 | 125 | 95 | 71 |
| Non-refueling[(e)] | 18 | 15 | 12 | 8 | 32 |
| **Total Outage Days** | 78 | 28 | 137 | 103 | 103 |

(a) Includes the proportionate share of output where Generation has an undivided ownership interest in jointly-owned generating plants and includes the total output of plants that are fully consolidated (e.g. CENG).
(b) Other Power Regions includes, South, West and Canada.
(c) Includes affiliate sales to PECO, BGE, Pepco, DPL and ACE in the Mid-Atlantic region and affiliate sales to ComEd in the Midwest region.
(d) Outage days exclude Salem.
(e) Includes the ownership of the FitzPatrick nuclear facility from March 31, 2017.

# EXELON CORPORATION
## Exelon Generation Statistics
### Twelve Months Ended December 31, 2017 and 2016

| | December 31, 2017 | December 31, 2016 |
|---|---|---|
| **Supply (in GWhs)** | | |
| Nuclear Generation | | |
| Mid-Atlantic[a] | 64,466 | 63,447 |
| Midwest | 93,344 | 94,668 |
| New York[a][c] | 25,033 | 18,684 |
| Total Nuclear Generation | 182,843 | 176,799 |
| Fossil and Renewables | | |
| Mid-Atlantic | 2,789 | 2,731 |
| Midwest | 1,482 | 1,488 |
| New England | 7,179 | 6,968 |
| New York | 3 | 3 |
| ERCOT | 12,072 | 6,785 |
| Other Power Regions | 6,869 | 8,179 |
| Total Fossil and Renewables | 30,394 | 26,154 |
| Purchased Power | | |
| Mid-Atlantic | 9,801 | 16,874 |
| Midwest | 1,373 | 2,255 |
| New England | 18,517 | 16,632 |
| New York | 28 | — |
| ERCOT | 7,346 | 10,637 |
| Other Power Regions | 14,530 | 13,589 |
| Total Purchased Power | 51,595 | 59,987 |
| Total Supply/Sales by Region | | |
| Mid-Atlantic[b] | 77,056 | 83,052 |
| Midwest[b] | 96,199 | 98,411 |
| New England | 25,696 | 23,600 |
| New York | 25,064 | 18,687 |
| ERCOT | 19,418 | 17,422 |
| Other Power Regions | 21,399 | 21,768 |
| **Total Supply/Sales by Region** | 264,832 | 262,940 |

(a) Includes the proportionate share of output where Generation has an undivided ownership interest in jointly-owned generating plants and includes the total output of plants that are fully consolidated (e.g. CENG).
(b) Includes affiliate sales to PECO, BGE, Pepco, DPL and ACE in the Mid-Atlantic region and affiliate sales to ComEd in the Midwest region.
(c) Includes the ownership of the FitzPatrick nuclear facility from March 31, 2017.

**EXELON CORPORATION**
**ComEd Statistics**
**Three Months Ended December 31, 2017 and 2016**

| | Electric Deliveries (in GWhs) | | | | Revenue (in millions) | | |
|---|---|---|---|---|---|---|---|
| | 2017 | 2016 | % Change | Weather-Normal % Change | 2017 | 2016 | % Change |
| **Retail Deliveries and Sales (a)** | | | | | | | |
| Residential | 6,128 | 6,052 | 1.3 % | (0.6)% | $ 637 | $ 578 | 10.2 % |
| Small Commercial & Industrial | 7,698 | 7,527 | 2.3 % | 2.2 % | 326 | 310 | 5.2 % |
| Large Commercial & Industrial | 6,755 | 6,784 | (0.4)% | (0.4)% | 109 | 112 | (2.7)% |
| Public Authorities & Electric Railroads | 359 | 351 | 2.3 % | 2.4 % | 11 | 12 | (8.3)% |
| Total Retail | 20,940 | 20,714 | 1.1 % | 0.5 % | 1,083 | 1,012 | 7.0 % |
| **Other Revenue (b)** | | | | | 226 | 211 | 7.1 % |
| Total Electric Revenue (c) | | | | | $ 1,309 | $ 1,223 | 7.0 % |
| **Purchased Power** | | | | | $ 399 | $ 317 | 25.9 % |

| | | | | % Change | |
|---|---|---|---|---|---|
| **Heating and Cooling Degree-Days** | 2017 | 2016 | Normal | From 2016 | From Normal |
| Heating Degree-Days | 2,166 | 2,037 | 2,226 | 6.3% | (2.7)% |
| Cooling Degree-Days | 29 | 27 | 11 | 7.4% | 163.6 % |

**Twelve Months Ended December 31, 2017 and 2016**

| | Electric Deliveries (in GWhs) | | | | Revenue (in millions) | | |
|---|---|---|---|---|---|---|---|
| | 2017 | 2016 | % Change | Weather-Normal % Change | 2017 | 2016 | % Change |
| **Retail Deliveries and Sales (a)** | | | | | | | |
| Residential | 26,292 | 27,790 | (5.4)% | (0.9)% | $ 2,746 | $ $ 2,597 | 5.7 % |
| Small Commercial & Industrial | 31,332 | 31,975 | (2.0)% | (0.7)% | 1,376 | 1,316 | 4.6 % |
| Large Commercial & Industrial | 27,467 | 27,842 | (1.3)% | (0.5)% | 461 | 462 | (0.2)% |
| Public Authorities & Electric Railroads | 1,286 | 1,298 | (0.9)% | (0.3)% | 44 | 45 | (2.2)% |
| Total Retail | 86,377 | 88,905 | (2.8)% | (0.7)% | 4,627 | 4,420 | 4.7 % |
| **Other Revenue (b)** | | | | | 909 | 834 | 9.0 % |
| Total Electric Revenue (c) | | | | | $ 5,536 | $ 5,254 | 5.4 % |
| **Purchased Power** | | | | | $ 1,641 | $ 1,458 | 12.6 % |

| | | | | % Change | |
|---|---|---|---|---|---|
| **Heating and Cooling Degree-Days** | 2017 | 2016 | Normal | From 2016 | From Normal |
| Heating Degree-Days | 5,435 | 5,715 | 6,198 | (4.9)% | (12.3)% |
| Cooling Degree-Days | 991 | 1,157 | 893 | (14.3)% | 11.0 % |

| **Number of Electric Customers** | 2017 | 2016 |
|---|---|---|
| Residential | 3,624,372 | 3,595,376 |
| Small Commercial & Industrial | 378,345 | 374,644 |
| Large Commercial & Industrial | 1,959 | 2,007 |
| Public Authorities & Electric Railroads | 4,775 | 4,750 |
| Total | 4,009,451 | 3,976,777 |

(a) Reflects delivery volumes and revenues from customers purchasing electricity directly from ComEd and customers purchasing electricity from a competitive electric generation supplier, as all customers are assessed delivery charges. For customers purchasing electricity from ComEd, revenue also reflects the cost of energy and transmission.
(b) Other revenue primarily includes transmission revenue from PJM. Other revenue includes rental revenues, revenues related to late payment charges, revenues from other utilities for mutual assistance programs and recoveries of remediation costs associated with MGP sites.
(c) Includes operating revenues from affiliates totaling $3 million and $3 million for the three months ended December 31, 2017 and 2016, respectively, and $15 million and $15 million for the twelve months ended December 31, 2017 and 2016, respectively.

**EXELON CORPORATION**
**PECO Statistics**
**Three Months Ended December 31, 2017 and 2016**

| | Electric and Natural Gas Deliveries | | | | Revenue (in millions) | | |
|---|---|---|---|---|---|---|---|
| | 2017 | 2016 | % Change | Weather-Normal % Change | 2017 | 2016 | % Change |
| **Electric (in GWhs)** | | | | | | | |
| **Retail Deliveries and Sales (a)** | | | | | | | |
| Residential | 3,084 | 2,982 | 3.4 % | (3.3)% | $ 358 | $ 353 | 1.4% |
| Small Commercial & Industrial | 1,921 | 1,863 | 3.1 % | (1.2)% | 98 | 96 | 2.1% |
| Large Commercial & Industrial | 3,833 | 3,665 | 4.6 % | 3.4 % | 55 | 52 | 5.8% |
| Public Authorities & Electric Railroads | 190 | 218 | (12.8)% | (12.8)% | 7 | 7 | —% |
| Total Retail | 9,028 | 8,728 | 3.4 % | (0.3)% | 518 | 508 | 2.0% |
| **Other Revenue (b)** | | | | | 55 | 52 | 5.8% |
| Total Electric Revenue (d) | | | | | 573 | 560 | 2.3% |
| **Natural Gas (in mmcfs)** | | | | | | | |
| **Retail Deliveries and Sales** | | | | | | | |
| Retail Sales (c) | 19,632 | 17,959 | 9.3 % | (2.0)% | 147 | 132 | 11.4% |
| Transportation and Other | 7,260 | 6,713 | 8.1 % | 8.7 % | 9 | 9 | —% |
| Total Natural Gas (d) | 26,892 | 24,672 | 9.0 % | 2.1 % | 156 | 141 | 10.6% |
| Total Electric and Natural Gas Revenues | | | | | $ 729 | $ 701 | 4.0% |
| **Purchased Power and Fuel** | | | | | $ 250 | $ 238 | 5.0% |

| | | | | % Change | |
|---|---|---|---|---|---|
| **Heating and Cooling Degree-Days** | 2017 | 2016 | Normal | From 2016 | From Normal |
| Heating Degree-Days | 1,512 | 1,425 | 1,629 | 6.1% | (7.2)% |
| Cooling Degree-Days | 86 | 42 | 19 | 104.8% | 352.6 % |

**Twelve Months Ended December 31, 2017 and 2016**

| | Electric and Natural Gas Deliveries | | | | Revenue (in millions) | | |
|---|---|---|---|---|---|---|---|
| | 2017 | 2016 | % Change | Weather-Normal % Change | 2017 | 2016 | % Change |
| **Electric (in GWhs)** | | | | | | | |
| **Retail Deliveries and Sales (a)** | | | | | | | |
| Residential | 13,024 | 13,664 | (4.7)% | (1.8)% | $ 1,505 | $ 1,631 | (7.7)% |
| Small Commercial & Industrial | 7,968 | 8,099 | (1.6)% | (1.1)% | 401 | 430 | (6.7)% |
| Large Commercial & Industrial | 15,426 | 15,263 | 1.1 % | 1.4 % | 223 | 234 | (4.7)% |
| Public Authorities & Electric Railroads | 809 | 890 | (9.1)% | (9.1)% | 30 | 32 | (6.3)% |
| Total Retail | 37,227 | 37,916 | (1.8)% | (0.5)% | 2,159 | 2,327 | (7.2)% |
| **Other Revenue (b)** | | | | | 216 | 204 | 5.9 % |
| Total Electric Revenue (d) | | | | | 2,375 | 2,531 | (6.2)% |
| **Natural Gas (in mmcfs)** | | | | | | | |
| **Retail Deliveries and Sales** | | | | | | | |
| Retail Sales (c) | 58,457 | 56,447 | 3.6 % | 1.2 % | 462 | 430 | 7.4 % |
| Transportation and Other | 26,382 | 27,630 | (4.5)% | (2.3)% | 33 | 33 | — % |
| Total Natural Gas (d) | 84,839 | 84,077 | 0.9 % | 0.1 % | 495 | 463 | 6.9 % |
| Total Electric and Natural Gas Revenues | | | | | $ 2,870 | $ 2,994 | (4.1)% |
| **Purchased Power and Fuel** | | | | | $ 969 | $ 1,047 | (7.4)% |

| | | | | % Change | |
|---|---|---|---|---|---|
| **Heating and Cooling Degree-Days** | 2017 | 2016 | Normal | From 2016 | From Normal |
| Heating Degree-Days | 3,949 | 4,041 | 4,603 | (2.3)% | (14.2)% |
| Cooling Degree-Days | 1,490 | 1,726 | 1,290 | (13.7)% | 15.5 % |

| Number of Electric Customers | 2017 | 2016 |
|---|---|---|
| Residential | 1,469,916 | 1,456,585 |
| Small Commercial & Industrial | 151,552 | 150,142 |
| Large Commercial & Industrial | 3,112 | 3,096 |
| Public Authorities & Electric Railroads | 9,569 | 9,823 |
| Total | 1,634,149 | 1,619,646 |

| Number of Natural Gas Customers | 2017 | 2016 |
|---|---|---|
| Residential | 477,213 | 472,606 |
| Commercial & Industrial | 43,892 | 43,668 |
| Total Retail | 521,105 | 516,274 |
| Transportation | 771 | 790 |
| Total | 521,876 | 517,064 |

(a) Reflects delivery volumes and revenues from customers purchasing electricity directly from PECO and customers purchasing electricity from a competitive electric generation supplier as all customers are assessed distribution charges. For customers purchasing electricity from PECO, revenue also reflects the cost of energy and transmission.

(b) Other revenue includes transmission revenue from PJM and wholesale electric revenues.

(c) Reflects delivery volumes and revenues from customers purchasing natural gas directly from PECO and customers purchasing natural gas from a competitive natural gas supplier as all customers are assessed distribution charges. For customers purchasing natural gas from PECO, revenue also reflects the cost of natural gas.

(d) Total electric revenue includes operating revenues from affiliates totaling $2 million for both three months ended December 31, 2017 and 2016, respectively, and $6 million and $7 million for the twelve months ended December 31, 2017 and 2016, respectively. Total natural gas revenue includes operating revenues from affiliates totaling less than $1 million for both three months ended December 31, 2017 and 2016 and $1 million for both twelve months ended December 31, 2017 and 2016.

## EXELON CORPORATION
## BGE Statistics
## Three Months Ended December 31, 2017 and 2016

| | Electric and Natural Gas Deliveries | | | | Revenue (in millions) | | |
|---|---|---|---|---|---|---|---|
| | 2017 | 2016 | % Change | Weather-Normal % Change | 2017 | 2016 | % Change |
| **Electric (in GWhs)** | | | | | | | |
| **Retail Deliveries and Sales (a)** | | | | | | | |
| Residential | 2,968 | 2,744 | 8.2 % | 1.4 % | $ 333 | $ 350 | (4.9)% |
| Small Commercial & Industrial | 711 | 697 | 2.0 % | 0.5 % | 64 | 65 | (1.5)% |
| Large Commercial & Industrial | 3,267 | 3,330 | (1.9)% | (0.9)% | 106 | 112 | (5.4)% |
| Public Authorities & Electric Railroads | 64 | 67 | (4.5)% | (4.6)% | 8 | 9 | (11.1)% |
| Total Retail | 7,010 | 6,838 | 2.5 % | 0.1 % | 511 | 536 | (4.7)% |
| **Other Revenue (b)(c)** | | | | | 83 | 75 | 10.7 % |
| Total Electric Revenue | | | | | 594 | 611 | (2.8)% |
| **Natural Gas (in mmcfs)** | | | | | | | |
| **Retail Deliveries and Sales (d)** | | | | | | | |
| Retail Sales | 28,717 | 27,394 | 4.8 % | (1.4)% | 210 | 190 | 10.5 % |
| Transportation and Other (e) | 1,152 | 1,898 | (39.3)% | n/a | 9 | 11 | (18.2)% |
| Total Natural Gas (f) | 29,869 | 29,292 | 2.0 % | (1.4)% | 219 | 201 | 9.0 % |
| Total Electric and Natural Gas Revenues | | | | | $ 813 | $ 812 | 0.1 % |
| **Purchased Power and Fuel** | | | | | $ 280 | $ 300 | (6.7)% |

| | | | | % Change | |
|---|---|---|---|---|---|
| **Heating and Cooling Degree-Days** | 2017 | 2016 | Normal | From 2016 | From Normal |
| Heating Degree-Days | 1,666 | 1,549 | 1,674 | 7.6% | (0.5)% |
| Cooling Degree-Days | 63 | 32 | 25 | 96.9% | 152.0 % |

## Twelve Months Ended December 31, 2017 and 2016

| | Electric and Natural Gas Deliveries | | | | Revenue (in millions) | | |
|---|---|---|---|---|---|---|---|
| | 2017 | 2016 | % Change | Weather-Normal % Change | 2017 | 2016 | % Change |
| **Electric (in GWhs)** | | | | | | | |
| **Retail Deliveries and Sales (a)** | | | | | | | |
| Residential | 12,094 | 12,740 | (5.1)% | (2.8)% | $ 1,428 | $ $ 1,554 | (8.1)% |
| Small Commercial & Industrial | 2,921 | 3,040 | (3.9)% | (4.9)% | 266 | 277 | (4.0)% |
| Large Commercial & Industrial | 13,688 | 13,957 | (1.9)% | (2.4)% | 450 | 449 | 0.2 % |
| Public Authorities & Electric Railroads | 268 | 283 | (5.3)% | (3.0)% | 31 | 35 | (11.4)% |
| Total Retail | 28,971 | 30,020 | (3.5)% | (2.8)% | 2,175 | 2,315 | (6.0)% |
| **Other Revenue (b)(c)** | | | | | 314 | 294 | 6.8 % |
| Total Electric Revenue | | | | | 2,489 | 2,609 | (4.6)% |
| **Natural Gas (in mmcfs)** | | | | | | | |
| **Retail Deliveries and Sales (d)** | | | | | | | |
| Retail Sales | 89,337 | 96,808 | (7.7)% | (4.2)% | 655 | $ 593 | 10.5 % |
| Transportation and Other (e) | 3,615 | 5,977 | (39.5)% | n/a | 32 | 31 | 3.2 % |
| Total Natural Gas (f) | 92,952 | 102,785 | (9.6)% | (4.2)% | 687 | 624 | 10.1 % |
| Total Electric and Natural Gas Revenues | | | | | $ 3,176 | $ 3,233 | (1.8)% |
| **Purchased Power and Fuel** | | | | | $ 1,133 | $ 1,294 | (12.4)% |

| | | | | % Change | |
|---|---|---|---|---|---|
| **Heating and Cooling Degree-Days** | 2017 | 2016 | Normal | From 2016 | From Normal |
| Heating Degree-Days | 4,190 | 4,427 | 4,666 | (5.4)% | (10.2)% |
| Cooling Degree-Days | 940 | 998 | 875 | (5.8)% | 7.4 % |

| Number of Electric Customers | 2017 | 2016 |
|---|---|---|
| Residential | 1,160,783 | 1,150,096 |
| Small Commercial & Industrial | 113,594 | 113,230 |
| Large Commercial & Industrial | 12,155 | 12,053 |
| Public Authorities & Electric Railroads | 272 | 280 |
| Total | 1,286,804 | 1,275,659 |

| Number of Natural Gas Customers | 2017 | 2016 |
|---|---|---|
| Residential | 629,690 | 623,647 |
| Commercial & Industrial | 44,247 | 44,255 |
| Total Retail | 673,937 | 667,902 |
| Transportation | — | — |
| Total | 673,937 | 667,902 |

(a) Reflects delivery volumes and revenue from customers purchasing electricity directly from BGE and customers purchasing electricity from a competitive electric generation supplier as all customers are assessed distribution charges. For customers purchasing electricity from BGE, revenue also reflects the cost of energy and transmission.
(b) Other revenue primarily includes wholesale transmission revenue and late payment charges.
(c) Includes operating revenues from affiliates totaling $1 million for both the three months ended December 31, 2017 and 2016 and $5 million and $7 million for the twelve months ended December 31, 2017 and 2016, respectively.
(d) Reflects delivery volumes and revenues from customers purchasing natural gas directly from BGE and customers purchasing natural gas from a competitive natural gas supplier as all customers are assessed distribution charges. For customers purchasing natural gas from BGE, revenue also reflects the cost of natural gas.
(e) Transportation and other natural gas revenue includes off-system revenue of 1,152 mmcfs ($6 million) and 1,898 mmcfs ($8 million) for the three months ended December 31, 2017 and 2016, respectively, and 3,615 mmcfs ($21 million) and 5,977 mmcfs ($23 million) for the twelve months ended December 31, 2017 and 2016, respectively.
(f) Includes operating revenues from affiliates totaling $4 million for both the three months ended December 31, 2017 and 2016 and $11 million and $14 million for the twelve months ended December 31, 2017 and 2016, respectively.

**EXELON CORPORATION**
**Pepco Statistics**
**Three Months Ended December 31, 2017 and 2016**

| | Electric Deliveries | | | | | Revenue (in millions) | | |
|---|---|---|---|---|---|---|---|---|
| | 2017 | | 2016 | % Change | Weather - Normal % Change | 2017 | 2016 | % Change |
| **Electric (in GWhs)** | | | | | | | | |
| **Retail Deliveries and Sales (a)** | | | | | | | | |
| Residential | 1,793 | 1,608,000,000 | 1,720 | 4.2 % | (1.7)% | $ 212 | $ 209 | 1.4 % |
| Small Commercial & Industrial | 304 | 321,000,000 | 335 | (9.3)% | (11.2)% | 34 | 34 | — % |
| Large Commercial & Industrial | 3,682 | 3,592,000,000 | 3,669 | 0.4 % | (0.9)% | 202 | 190 | 6.3 % |
| Public Authorities & Electric Railroads | 192 | 174,000,000 | 180 | 6.7 % | 6.1 % | 9 | 9 | — % |
| Total Retail | 5,971 | | 5,904 | 1.1 % | (1.6)% | 457 | 442 | 3.4 % |
| **Other Revenue (b)** | | | | | | 52 | 49 | 6.1 % |
| Total Electric Revenue (c) | | | | | | 509 | 491 | 3.7 % |
| **Purchased Power** | | | | | | $ 137 | $ 143 | (4.2)% |

| | | | | % Change | |
|---|---|---|---|---|---|
| **Heating and Cooling Degree-Days** | 2017 | 2016 | Normal | From 2016 | From Normal |
| Heating Degree-Days | 1,350 | 1,217 | 1,392 | 10.9% | (3.0)% |
| Cooling Degree-Days | 88 | 64 | 42 | 37.5% | 109.5 % |

**Twelve Months Ended December 31, 2017 and 2016**

| | Electric Deliveries | | | | | Revenue (in millions) | | |
|---|---|---|---|---|---|---|---|---|
| | 2017 | | 2016 | % Change | Weather - Normal % Change | 2017 | 2016 | % Change |
| **Electric (in GWhs)** | | | | | | | | |
| **Retail Deliveries and Sales (a)** | | | | | | | | |
| Residential | 7,831 | 8,452,000,000 | 8,372 | (6.5)% | (2.5)% | $ 956 | $ 1,000 | (4.4)% |
| Small Commercial & Industrial | 1,303 | 1,471,000,000 | 1,459 | (10.7)% | (9.0)% | 147 | 150 | (2.0)% |
| Large Commercial & Industrial | 14,988 | 15,351,000,000 | 15,559 | (3.7)% | (2.5)% | 810 | 803 | 0.9 % |
| Public Authorities & Electric Railroads | 734 | 714,000,000 | 724 | 1.4 % | 1.4 % | 33 | 32 | 3.1 % |
| Total Retail | 24,856 | | 26,114 | (4.8)% | (2.8)% | 1,946 | 1,985 | (2.0)% |
| **Other Revenue (b)** | | | | | | 212 | 201 | 5.5 % |
| Total Electric Revenue (c) | | | | | | 2,158 | 2,186 | (1.3)% |
| **Purchased Power** | | | | | | $ 614 | $ 706 | (13.0)% |

| | | | | % Change | |
|---|---|---|---|---|---|
| **Heating and Cooling Degree-Days** | 2017 | 2016 | Normal | From 2016 | From Normal |
| Heating Degree-Days | 3,312 | 3,624 | 3,869 | (8.6)% | (14.4)% |
| Cooling Degree-Days | 1,767 | 1,936 | 1,653 | (8.7)% | 6.9 % |

| **Number of Electric Customers** | 2017 | 2016 |
|---|---|---|
| Residential | 792,211 | 780,652 |
| Small Commercial & Industrial | 53,489 | 53,529 |
| Large Commercial & Industrial | 21,732 | 21,391 |
| Public Authorities & Electric Railroads | 144 | 130 |
| Total | 867,576 | 855,702 |

(a) Reflects delivery volumes and revenues from customers purchasing electricity directly from Pepco and customers purchasing electricity from a competitive electric generation supplier as all customers are assessed distribution charges. For customers purchasing electricity from Pepco, revenue also reflects the cost of energy and transmission.
(b) Other revenue includes transmission revenue from PJM and wholesale electric revenues.
(c) Includes operating revenues from affiliates totaling $2 million and $1 million for the three months ended December 31, 2017 and 2016, respectively, and $6 million and $5 million for the twelve months ended December 31, 2017 and 2016, respectively.

# EXELON CORPORATION
## DPL Statistics
## Three Months Ended December 31, 2017 and 2016

| | Electric and Natural Gas Deliveries | | | | Revenue (in millions) | | |
|---|---|---|---|---|---|---|---|
| | 2017 | 2016 | % Change | Weather - Normal % Change | 2017 | 2016 | % Change |
| **Electric (in GWhs)** | | | | | | | |
| **Retail Deliveries and Sales (a)** | | | | | | | |
| Residential | 1,167 | 1,115 | 4.7 % | (1.2)% | $ 154 | $ 147 | 4.8 % |
| Small Commercial & Industrial | 544 | 544 | — % | (1.8)% | 47 | 45 | 4.4 % |
| Large Commercial & Industrial | 1,145 | 1,131 | 1.2 % | 0.2 % | 24 | 24 | — % |
| Public Authorities & Electric Railroads | 9 | 12 | (25.0)% | (18.2)% | 3 | 3 | — % |
| Total Retail | 2,865 | 2,802 | 2.2 % | (0.8)% | 228 | 219 | 4.1 % |
| **Other Revenue (b)** | | | | | 46 | 38 | 21.1 % |
| Total Electric Revenue (c) | | | | | 274 | 257 | 6.6 % |
| **Natural Gas (in mmcfs)** | | | | | | | |
| **Retail Deliveries and Sales (d)** | | | | | | | |
| Retail Sales | 4,428 | 4,086 | 8.4 % | 2.3 % | 49 | 40 | 22.5 % |
| Transportation and Other (e) | 1,848 | 1,748 | 5.7 % | 4.2 % | 7 | 6 | 16.7 % |
| Total Natural Gas | 6,276 | 5,834 | 7.6 % | 2.8 % | 56 | 46 | 21.7 % |
| Total Electric and Natural Gas Revenues | | | | | $ 330 | $ 303 | 8.9 % |
| **Purchased Power and Fuel** | | | | | $ 133 | $ 135 | (1.5)% |

| **Electric Service Territory** | | | | % Change | |
|---|---|---|---|---|---|
| **Heating and Cooling Degree-Days** | 2017 | 2016 | Normal | From 2016 | From Normal |
| Heating Degree-Days | 1,601 | 1,507 | 1,586 | 6.2% | 0.9% |
| Cooling Degree-Days | 72 | 43 | 26 | 67.4% | 176.9% |

| **Gas Service Territory** | | | | % Change | |
|---|---|---|---|---|---|
| **Heating Degree-Days** | 2017 | 2016 | Normal | From 2016 | From Normal |
| Heating Degree-Days | 1,632 | 1,542 | 1,677 | 5.8% | (2.7)% |

## Twelve Months Ended December 31, 2017 and 2016

| | Electric and Natural Gas Deliveries | | | | Revenue (in millions) | | |
|---|---|---|---|---|---|---|---|
| | 2017 | 2016 | % Change | Weather - Normal % Change | 2017 | 2016 | % Change |
| **Electric (in GWhs)** | | | | | | | |
| **Retail Deliveries and Sales (a)** | | | | | | | |
| Residential | 5,010 | 5,181 | (3.3)% | (0.3)% | $ 660 | $ 668 | (1.2)% |
| Small Commercial & Industrial | 2,237 | 2,290 | (2.3)% | (0.9)% | 185 | 187 | (1.1)% |
| Large Commercial & Industrial | 4,585 | 4,623 | (0.8)% | 0.3 % | 102 | 98 | 4.1 % |
| Public Authorities & Electric Railroads | 44 | 46 | (4.3)% | (8.3)% | 14 | 13 | 7.7 % |
| Total Retail | 11,876 | 12,140 | (2.2)% | (0.2)% | 961 | 966 | (0.5)% |
| **Other Revenue (b)** | | | | | 178 | 163 | 9.2 % |
| Total Electric Revenue (c) | | | | | 1,139 | 1,129 | 0.9 % |
| **Natural Gas (in mmcfs)** | | | | | | | |
| **Retail Deliveries and Sales (d)** | | | | | | | |
| Retail Sales | 13,107 | 13,341 | (1.8)% | 5.2 % | 136 | 127 | 7.1 % |
| Transportation and Other (e) | 6,538 — | 6,201 | 5.4 % | 6.9 % | 25 | 21 | 19.0 % |
| Total Natural Gas | 19,645 | 19,542 | 0.5 % | 5.7 % | 161 | 148 | 8.8 % |
| Total Electric and Natural Gas Revenues | | | | | $ 1,300 | $ 1,277 | 1.8 % |
| **Purchased Power and Fuel** | | | | | $ 532 | $ 583 | (8.7)% |

| **Electric Service Territory** | | | | % Change | |
|---|---|---|---|---|---|
| **Heating and Cooling Degree-Days** | 2017 | 2016 | Normal | From 2016 | From Normal |
| Heating Degree-Days | 4,077 | 4,319 | 4,519 | (5.6)% | (9.8)% |
| Cooling Degree-Days | 1,300 | 1,453 | 1,210 | (10.5)% | 7.4 % |

| **Gas Service Territory** | | | | % Change | |
|---|---|---|---|---|---|
| **Heating Degree-Days** | 2017 | 2016 | Normal | From 2016 | From Normal |
| Heating Degree-Days | 4,203 | 4,454 | 4,739 | (5.6)% | (11.3)% |

| Number of Electric Customers | 2017 | 2016 | Number of Natural Gas Customers | 2017 | 2016 |
|---|---|---|---|---|---|
| Residential | 459,389 | 456,181 | Residential | 122,347 | 120,951 |
| Small Commercial & Industrial | 60,697 | 60,173 | Commercial & Industrial | 9,853 | 9,801 |
| Large Commercial & Industrial | 1,400 | 1,411 | Total Retail | 132,200 | 130,752 |
| Public Authorities & Electric Railroads | 629 | 643 | Transportation | 154 | 156 |
| Total | 522,115 | 518,408 | Total | 132,354 | 130,908 |

(a) Reflects delivery volumes and revenues from customers purchasing electricity directly from DPL and customers purchasing electricity from a competitive electric generation supplier as all customers are assessed distribution charges. For customers purchasing electricity from DPL, revenue also reflects the cost of energy and transmission.
(b) Other revenue includes transmission revenue from PJM and wholesale electric revenues.
(c) Includes operating revenues from affiliates totaling $2 million and $1 million for the three months ended December 31, 2017 and 2016, respectively, and $8 million and $7 million for the twelve months ended December 31, 2017 and 2016, respectively.
(d) Reflects delivery volumes and revenues from customers purchasing natural gas directly from DPL and customers purchasing natural gas from a competitive natural gas supplier as all customers are assessed distribution charges. For customers purchasing natural gas from DPL, revenue also reflects the cost of natural gas.
(e) Transportation and other revenue includes off-system natural gas sales and the short-term release of interstate pipeline transportation and storage capacity not needed to serve customers.

**EXELON CORPORATION**
**ACE Statistics**
**Three Months Ended December 31, 2017 and 2016**

| | Electric Deliveries | | | | Revenue (in millions) | | |
|---|---|---|---|---|---|---|---|
| | 2017 | 2016 | % Change | Weather - Normal % Change | 2017 | 2016 | % Change |
| **Electric (in GWhs)** | | | | | | | |
| **Retail Deliveries and Sales (a)** | | | | | | | |
| Residential | 811 | 826 | (1.8)% | (6.9)% | $ 136 | $ 134 | 1.5 % |
| Small Commercial & Industrial | 294 | 457 | (35.7)% | (36.9)% | 37 | 50 | (26.0)% |
| Large Commercial & Industrial | 842 | 697 | 20.8 % | 19.5 % | 46 | 43 | 7.0 % |
| Public Authorities & Electric Railroads | 14 | 14 | — % | — % | 3 | 3 | — % |
| Total Retail | 1,961 | 1,994 | (1.7)% | (4.5)% | 222 | 230 | (3.5)% |
| **Other Revenue (b)** | | | | | 50 | 45 | 11.1 % |
| Total Electric Revenue (c) | | | | | 272 | 275 | (1.1)% |
| **Purchased Power** | | | | | $ 128 155,000,000 | $ 133 | (3.8)% |

| | | | | % Change | |
|---|---|---|---|---|---|
| **Heating and Cooling Degree-Days** | 2017 | 2016 | Normal | From 2016 | From Normal |
| Heating Degree-Days | 1,598 | 1,549 | 1,611 | 3.2% | (0.8)% |
| Cooling Degree-Days | 75 | 36 | 23 | 108.3% | 226.1 % |

**Twelve Months Ended December 31, 2017 and 2016**

| | Electric Deliveries | | | | Revenue (in millions) | | |
|---|---|---|---|---|---|---|---|
| | 2017 | 2016 | % Change | Weather - Normal % Change | 2017 | 2016 | % Change |
| **Electric (in GWhs)** | | | | | | | |
| **Retail Deliveries and Sales (a)** | | | | | | | |
| Residential | 3,853 | 4,153 | (7.2)% | (6.2)% | $ 619 | $ 664 | (6.8)% |
| Small Commercial & Industrial | 1,286 | 1,455 | (11.6)% | (11.1)% | 166 | 183 | (9.3)% |
| Large Commercial & Industrial | 3,399 | 3,402 | (0.1)% | 0.4 % | 189 | 201 | (6.0)% |
| Public Authorities & Electric Railroads | 47 | 49 | (4.1)% | (4.1)% | 13 | 13 | — % |
| Total Retail | 8,585 | 9,059 | (5.2)% | (4.5)% | 987 | 1,061 | (7.0)% |
| **Other Revenue (b)** | | | | | 199 | 196 | 1.5 % |
| Total Electric Revenue (c) | | | | | 1,186 | 1,257 | (5.6)% |
| **Purchased Power** | | | | | $ 570 | $ 651 | (12.4)% |

| | | | | % Change | |
|---|---|---|---|---|---|
| **Heating and Cooling Degree-Days** | 2017 | 2016 | Normal | From 2016 | From Normal |
| Heating Degree-Days | 4,206 | 4,487 | 4,713 | (6.3)% | (10.8)% |
| Cooling Degree-Days | 1,228 | 1,303 | 1,115 | (5.8)% | 10.1 % |

| **Number of Electric Customers** | 2017 | 2016 |
|---|---|---|
| Residential | 487,168 | 484,240 |
| Small Commercial & Industrial | 61,013 | 61,008 |
| Large Commercial & Industrial | 3,684 | 3,763 |
| Public Authorities & Electric Railroads | 636 | 610 |
| Total | 552,501 | 549,621 |

(a) Reflects delivery volumes and revenues from customers purchasing electricity directly from ACE and customers purchasing electricity from a competitive electric generation supplier as all customers are assessed distribution charges. For customers purchasing electricity from ACE, revenue also reflects the cost of energy and transmission.
(b) Other revenue includes transmission revenue from PJM and wholesale electric revenues.
(c) Includes operating revenues from affiliates totaling $1 million and $1 million for the three months ended December 31, 2017 and 2016, respectively, and $2 million and $3 million for the twelve months ended December 31, 2017 and 2016, respectively.

# Earnings Conference Call
# 4th Quarter 2017

February 7, 2018

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# Cautionary Statements Regarding Forward-Looking Information

This presentation contains certain 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 Exelon Corporation, Exelon Generation Company, LLC, Commonwealth Edison Company, PECO Energy Company, Baltimore Gas and Electric Company, Pepco Holdings LLC, Potomac Electric Power Company, Delmarva Power & Light Company, and Atlantic City Electric Company (Registrants) include those factors discussed herein, as well as the items discussed in (1) Exelon's 2016 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 24, Commitments and Contingencies; (2) Exelon's Third Quarter 2017 Quarterly Report on Form 10-Q in (a) Part II, Other Information, ITEM 1A. Risk Factors; (b) Part 1, Financial Information, ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, Financial Information, ITEM 1. Financial Statements: Note 18; and (2) 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 press release. 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 presentation.

# Non-GAAP Financial Measures

Exelon reports its financial results in accordance with accounting principles generally accepted in the United States (GAAP). Exelon supplements the reporting of financial information determined in accordance with GAAP with certain non-GAAP financial measures, including:

- ***Adjusted operating earnings*** exclude certain costs, expenses, gains and losses and other specified items, including mark-to-market adjustments from economic hedging activities, unrealized gains and losses from nuclear decommissioning trust fund investments, merger and integration related costs, impairments of certain long-lived assets, certain amounts associated with plant retirements and divestitures, costs related to a cost management program and other items as set forth in the reconciliation in the Appendix
- ***Adjusted operating and maintenance expense*** excludes regulatory operating and maintenance costs for the utility businesses and direct cost of sales for certain Constellation and Power businesses, decommissioning costs that do not affect profit and loss, the impact from operating and maintenance expense related to variable interest entities at Generation, EDF's ownership of O&M expenses, and other items as set forth in the reconciliation in the Appendix
- ***Total gross margin*** is defined as operating revenues less purchased power and fuel expense, excluding revenue related to decommissioning, gross receipts tax, Exelon Nuclear Partners, JExel Nuclear JV, variable interest entities, and net of direct cost of sales for certain Constellation and Power businesses
- ***Adjusted cash flow from operations*** primarily includes net cash flows from operating activities and net cash flows from investing activities excluding capital expenditures, net merger and acquisitions, and equity investments
- ***Free cash flow*** primarily includes net cash flows from operating activities and net cash flows from investing activities excluding certain capital expenditures, net merger and acquisitions, and equity investments
- ***Operating ROE*** is calculated using operating net income divided by average equity for the period. The operating income reflects all lines of business for the utility business (Electric Distribution, Gas Distribution, Transmission).
- ***EBITDA*** is defined as earnings before interest, taxes, depreciation and amortization. Includes nuclear fuel amortization expense.
- ***Revenue net of purchased power and fuel expense*** is calculated as the GAAP measure of operating revenue less the GAAP measure of purchased power and fuel expense

Due to the forward-looking nature of some forecasted non-GAAP measures, information to reconcile the forecasted adjusted (non-GAAP) measures to the most directly comparable GAAP measure may not be currently available, as management is unable to project all of these items for future periods

# Non-GAAP Financial Measures Continued

This information is intended to enhance an investor's overall understanding of period over period financial results and provide an indication of Exelon's baseline operating performance by excluding items that are considered by management to be not directly related to the ongoing operations of the business. In addition, this information is among the primary indicators management uses as a basis for evaluating performance, allocating resources, setting incentive compensation targets and planning and forecasting of future periods.

These non-GAAP financial measures are not a presentation defined under GAAP and may not be comparable to other companies' presentation. Exelon has provided these non-GAAP financial measures as supplemental information and in addition to the financial measures that are calculated and presented in accordance with GAAP. These non-GAAP measures should not be deemed more useful than, a substitute for, or an alternative to the most comparable GAAP measures provided in the materials presented.

Non-GAAP financial measures are identified by the phrase "non-GAAP" or an asterisk. Reconciliations of these non-GAAP measures to the most comparable GAAP measures are provided in the appendices and attachments to this presentation, except for the reconciliation for total gross margin, which appears on slide 54 of this presentation.

# Milestones and Accomplishments

### Financial

- Delivered FY 2017 GAAP earnings per share of $3.97 and adjusted operating earnings per share* of $2.60, within our guidance range
- Updated dividend policy to 5% growth annually through 2020
- Tax reform legislation will benefit our utility customers through lower bills after committed rate adjustments while our shareholders benefit from additional utility rate base growth and lower tax rates at ExGen
- Expanded cost management program from 3rd quarter 2017 will save an incremental $250M annually by 2020
- Effective capital deployment at ExGen:
  - Creation of Renewables JV with Hancock
  - ExGen Renewables IV project financing
  - Exit of EGTP portfolio

### Operational

- Utilities performed largely at first quartile levels with especially strong results across key metrics:
  - BGE, ComEd and PECO achieved 1st decile performance in the System Average Interruption Frequency Index (SAIFI)
  - BGE and ComEd achieved 1st decile performance in the Customer Average Interruption Duration Index (CAIDI)
  - PHI achieved best ever performance on SAIFI and CAIDI
- Invested $5.3B of capital into our utilities to improve reliability, replace aging infrastructure, and enhance customer experience
- Total Exelon utilities collectively earned 9.5% ROE in 2017, the mid-point of our long-term range
- Achieved 94.1%(1) nuclear capacity factor, producing a record 157 TWhs of nuclear generation

### Regulatory & Policy

- Successful dismissal of legal challenges of NY and IL ZEC programs in federal district court; appeals process is ongoing
- FERC recognized need to better understand the status of resilience of system. Created "Grid Resilience in Regional Transmission Organizations and Independent System Operators" order to seek input from RTOs on how market rules may need to be changed
- Completed distribution rate cases providing $283M in revenue increases and another $114M of rate increases for FERC transmission assets

### Employees & Community

- 2017 awards and recognitions include: Billion Dollar Roundtable, Civic 50, Top 50 Companies for Diversity, Best Places to Work in 2017, CEO Action for Diversity & Inclusion, and UN's HeForShe
- Exelon and our employees set a new record in corporate philanthropy and volunteerism, committing over $52M in giving and volunteering 210,000 hours
- Recognized by Dow Jones Sustainability Index for 12th consecutive year and by NewsWeek Green rankings for 9th consecutive year
- 2,200 employees, contractors and support personnel from Exelon's six utilities mobilized to assist residents in the southeastern U.S. impacted by Hurricane Irma

(1) Capacity factor excludes impacts of Salem

# Proven Track Record of Improving Operational Performance

| Operations | Metric | At CEG Merger (2012) | | | 2015 | Q4 2017 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | BGE | ComEd | PECO | PHI | BGE | ComEd | PECO | PHI |
| Electric Operations | OSHA Recordable Rate | | | | | | | | |
| | 2.5 Beta SAIFI (Outage Frequency) | | | | | | | | |
| | 2.5 Beta CAIDI (Outage Duration) | | | | | | | | |
| Customer Operations | Customer Satisfaction | | | | N/A | | | | |
| | Service Level % of Calls Answered in <30 sec | | | | | | | | |
| | Abandon Rate | | | | | | | | |
| Gas Operations | Percent of Calls Responded to in <1 Hour | | No Gas Operations | | | | No Gas Operations | | |
| Overall Rank | Electric Utility Panel of 24 Utilities(1) | 23rd | 2nd | 2nd | 18th | | | | |

Performance Quartiles

| | |
|---|---|
| Q1 | Q2 |
| Q3 | Q4 |

- Best on record SAIFI and CAIDI performance for BGE, ComEd and PHI
- Best on record Customer Satisfaction performance for BGE, ComEd and PECO
- BGE, ComEd and PECO achieved 1st decile performance in SAIFI
- BGE and ComEd achieved 1st decile performance in CAIDI
- For the 5th consecutive year, BGE and PECO achieved top decile performance in Gas Odor Response. PHI improved by moving from 1st quartile in 2016 to top decile in 2017.

(1) Ranking based on results of five key industry performance indicators – CAIDI, SAIFI, Safety, Customer Satisfaction, and Cost per Customer



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# Best in Class at ExGen and Constellation

| Exelon Generation Operational Metrics | Constellation Metrics |
| --- | --- |

**Exelon Generation Operational Metrics**

- Continued best in class performance across our Nuclear fleet:
  - Capacity factor for Exelon owned and operated units was 94.1%[1]
  - This was the second consecutive year over 94% and the fourth out of the last five years topping 94%
  - Most nuclear power ever generated at 157 TWhs[2]
  - 2017 average refueling outage duration of 23 days, just over the Exelon record of 22 days set in 2016
- Strong performance across our Fossil and Renewable fleet:
  - Renewables energy capture: 95.8%
  - Power dispatch match: 98.8%

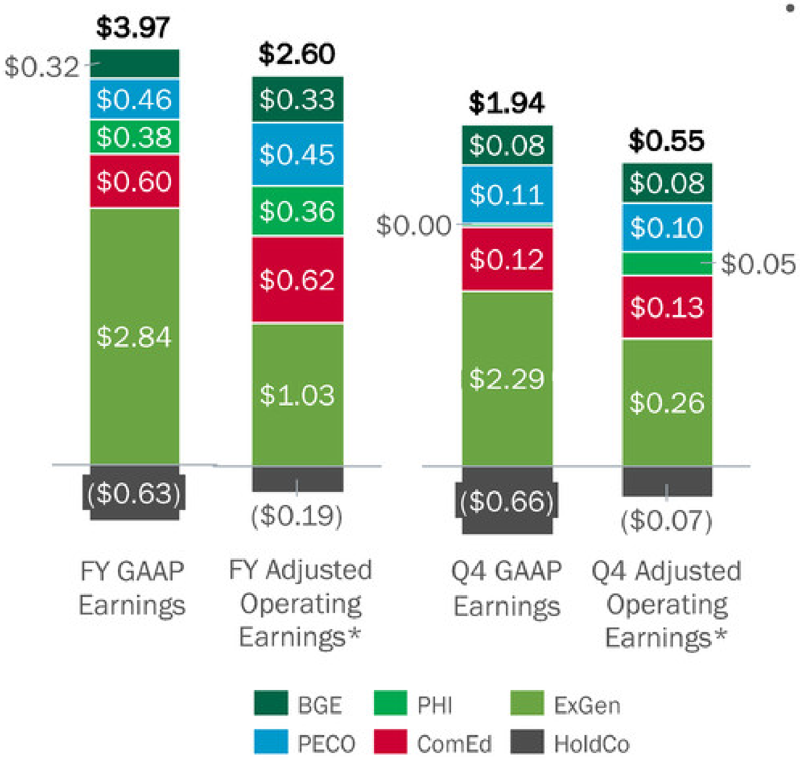
**Constellation Metrics**

- 74% retail power customer renewal rate
- 24% power new customer win rate
- 90% natural gas customer retention rate
- 25 month average power contract term
- Average customer duration of more than 5 years
- Stable Retail Margins

Note: Statistics represent full year 2017 results
(1) 2017 capacity factor includes FitzPatrick for the Exelon period of ownership and operation (March 31 to December 31, 2017) and excludes impacts of Salem
(2) Reflects generation output at ownership

# 2017 Financial Results

**2017 EPS Results(1)**




- Adjusted (non-GAAP) operating earnings* full year drivers versus $2.55 - $2.75 guidance:

Utilities
- ⬆ Reduced storm activity
- ⬆ Lower O&M
- ⬇ FAS 109 Reg. Asset Impairment

Exelon Generation
- ⬇ IL ZEC Timing

(1) Amounts may not add due to rounding



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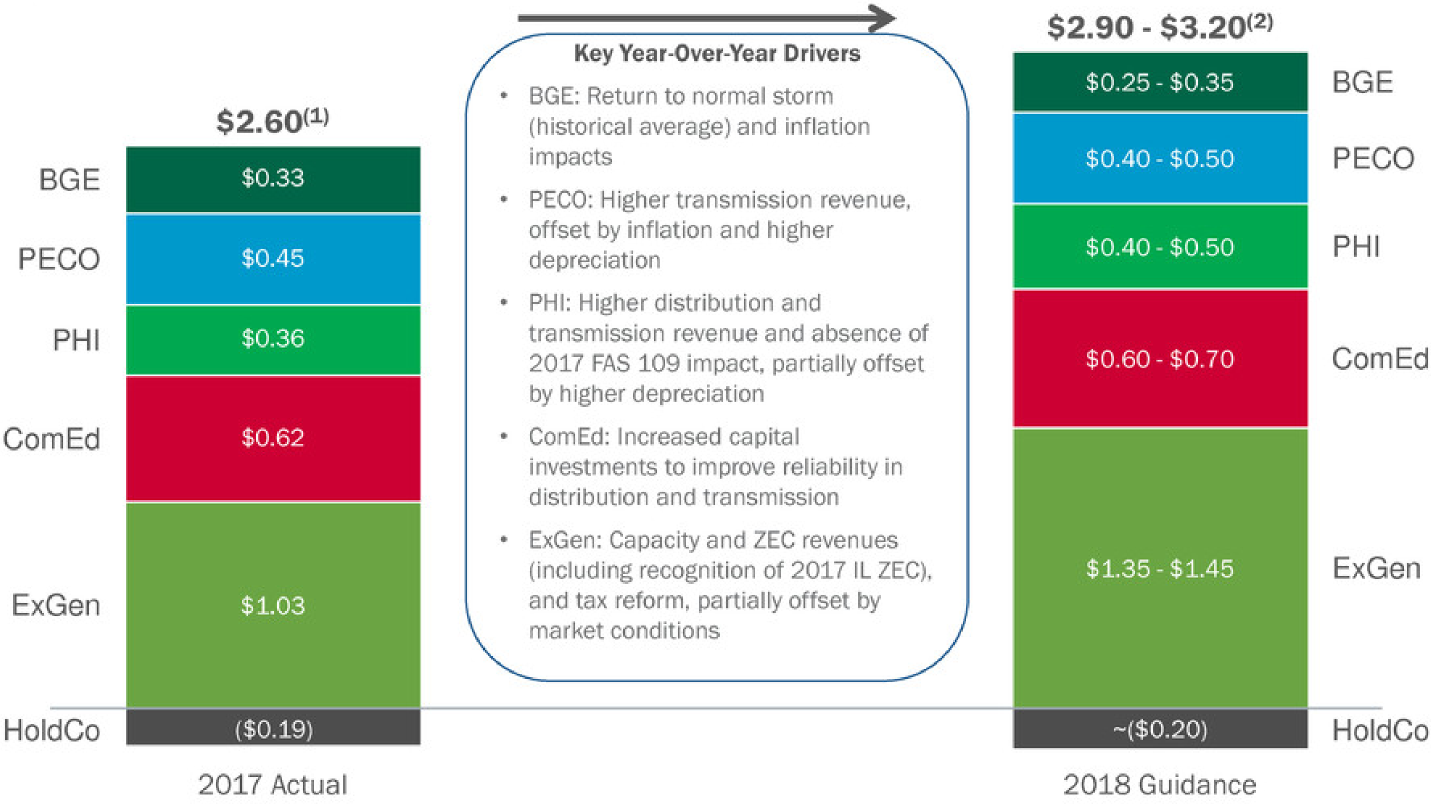
## 2018 Adjusted Operating Earnings* Guidance

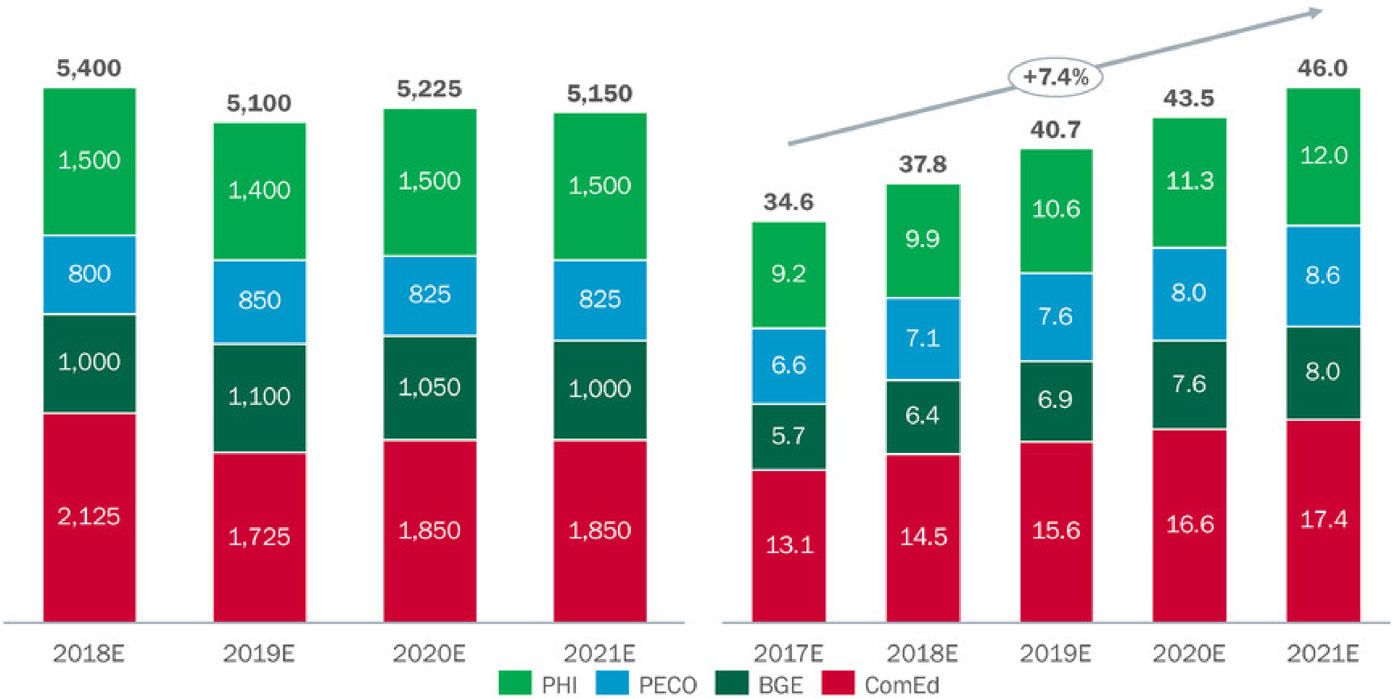



**Expect Q1 2018 Adjusted Operating Earnings* of $0.90 - $1.00 per share**

Note: Amounts may not add due to rounding
(1) 2017 results based on 2017 average outstanding shares of 949M
(2) 2018 earnings guidance based on expected average outstanding shares of 969M

# Our Capital Plan Drives Leading Rate Base Growth

**Capital Expenditures ($M)** | **Rate Base ($B)[1]**




**$21B of capital will be invested at Exelon utilities from 2018-2021 for grid modernization and customer satisfaction**

Note: CapEx numbers are rounded to nearest $25M and numbers may not add due to rounding
(1) Rate base reflects year-end estimates



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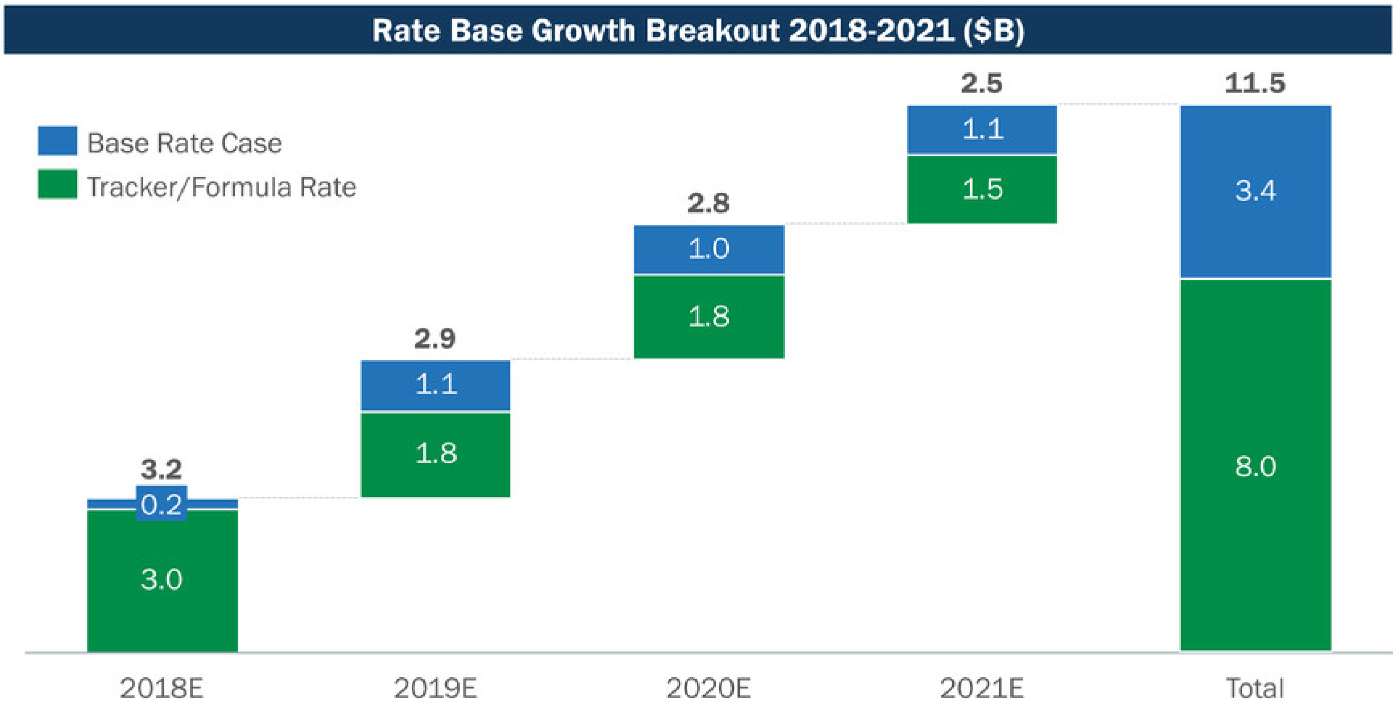
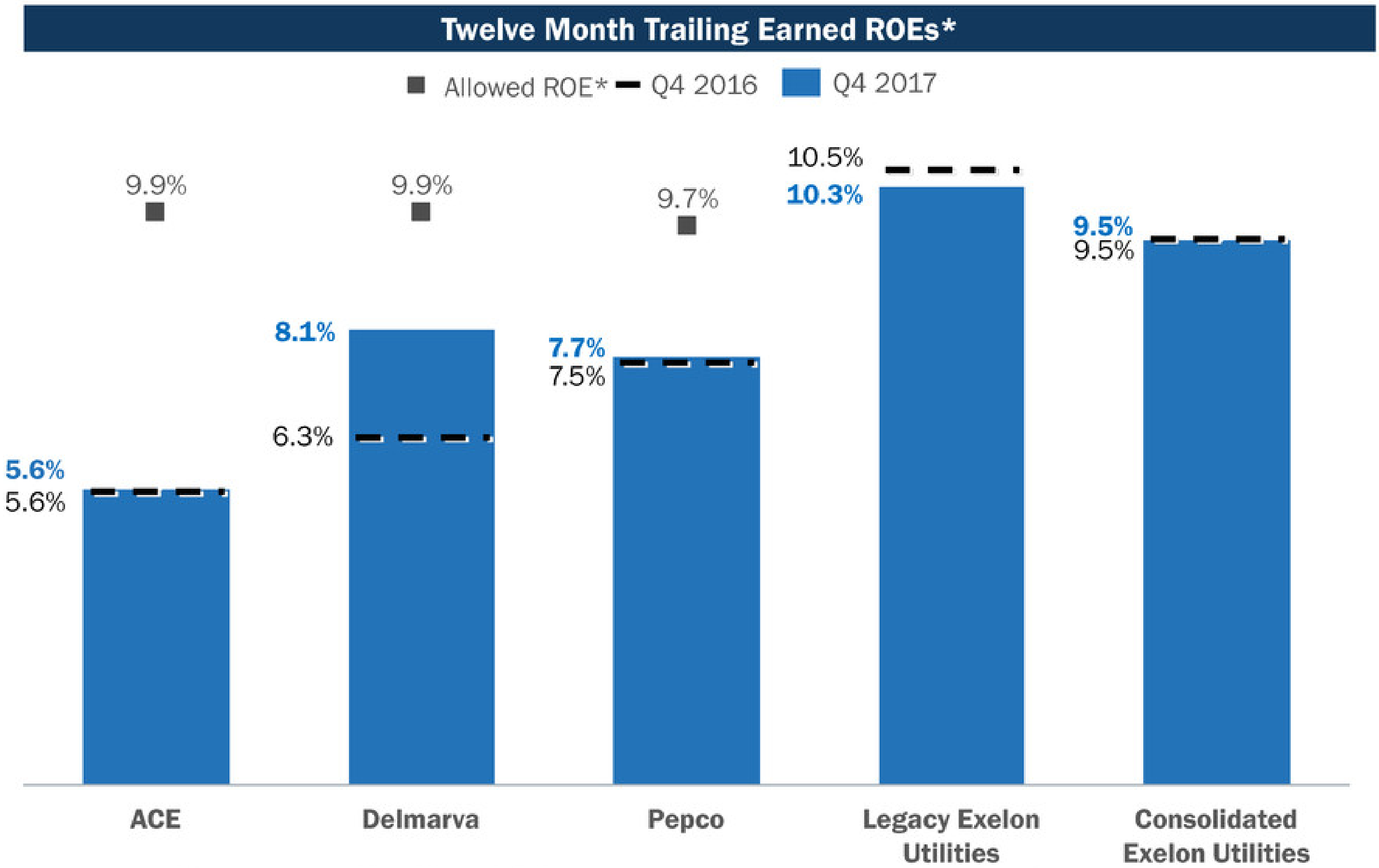
# Mechanisms Cover Bulk of Rate Base Growth




**Of the approximately $11.5 billion of rate base growth Exelon Utilities forecasts over the next 4 years, ~70% will be recovered through existing formula and tracker mechanisms**

Note: Numbers may not add due to rounding

# Trailing 12 Month ROEs* vs Allowed ROE




Note: Represents the 12-month periods ending 12/31/2016 and 12/31/2017, respectively. ROEs* represent weighted average across all lines of business (Electric Distribution, Gas Distribution, and Transmission).

# Exelon Utilities' Distribution Rate Case Updates

| ACE NJ Order | |
|---|---|
| Authorized Revenue Requirement Increase[1] | $43.0M |
| Authorized ROE | 9.60% |
| Common Equity Ratio | 50.47% |
| Order Received | 9/22/17 |

| Pepco MD Order | |
|---|---|
| Authorized Revenue Requirement Increase[1] | $32.4M |
| Authorized ROE | 9.50% |
| Common Equity Ratio | 50.15% |
| Order Received | 10/20/17 |

| ComEd Filing | |
|---|---|
| Authorized Revenue Requirement Increase[1] | $95.6M |
| Authorized ROE | 8.40% |
| Common Equity Ratio | 45.89% |
| Order Received | 12/6/17 |

| Delmarva MD Filing | |
|---|---|
| Per Settlement Revenue Requirement Increase[1] | $13.4M |
| Per Settlement ROE | 9.50%[3] |
| Per Settlement Common Equity Ratio | N/A |
| Order Expected | 2/9/18 |

| Delmarva DE Electric Filing | |
|---|---|
| Requested Revenue Requirement Increase[1,2] | $31.2M |
| Requested ROE | 10.10% |
| Requested Common Equity Ratio | 50.52% |
| Order Expected | Q3 2018 |

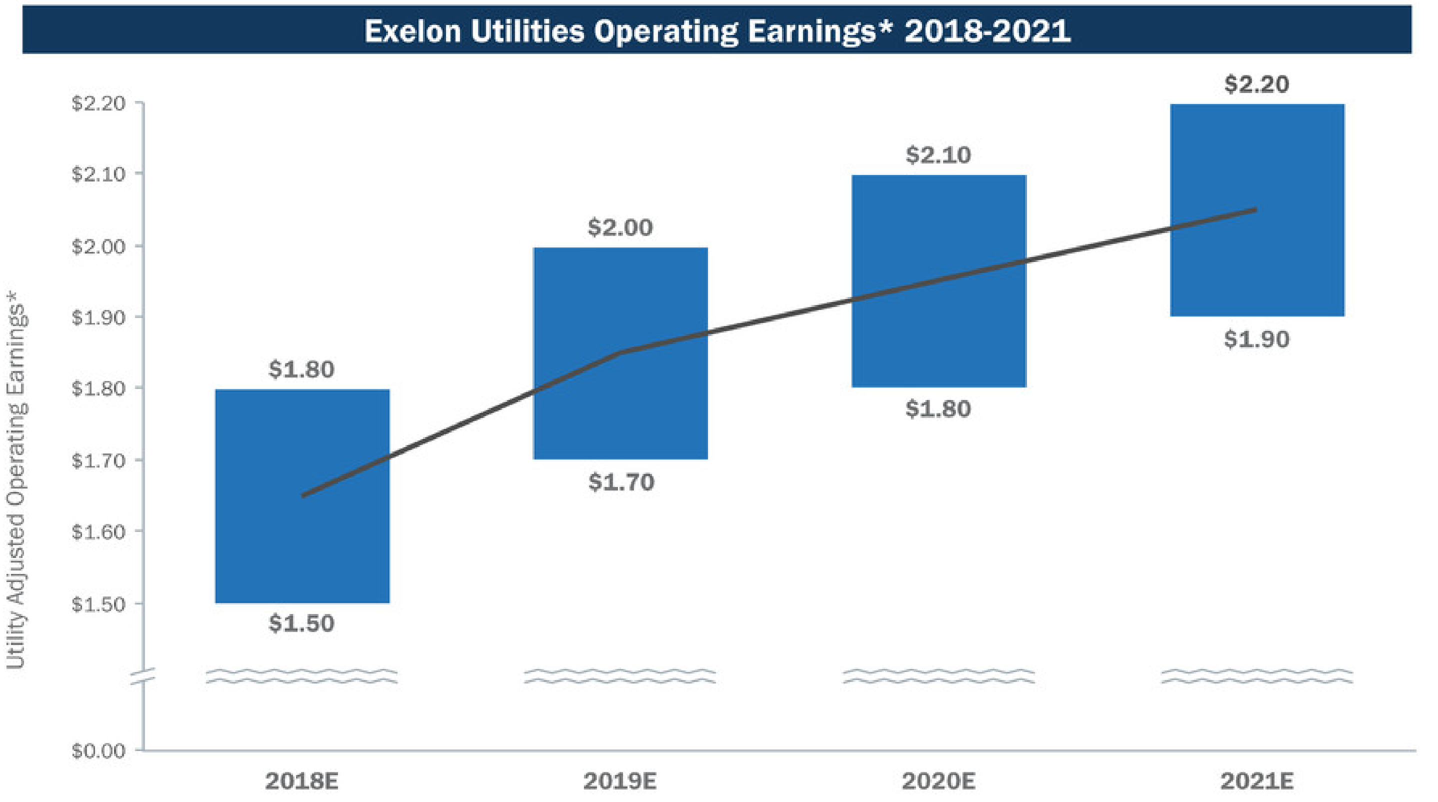
| Delmarva DE Gas Filing | |
|---|---|
| Requested Revenue Requirement Increase[1,2] | $11.0M |
| Requested ROE | 10.10% |
| Requested Common Equity Ratio | 50.52% |
| Order Expected | Q4 2018 |

| Pepco DC Electric Filing | |
|---|---|
| Requested Revenue Requirement Increase[1] | $66.2M |
| Requested ROE | 10.10% |
| Requested Common Equity Ratio | 50.28% |
| Order Expected | 12/2018 |

| Pepco MD Electric Filing | |
|---|---|
| Requested Revenue Requirement Increase[1,4] | $10.7M |
| Requested ROE | 10.10% |
| Requested Common Equity Ratio | 50.28% |
| Order Expected | 7/31/18 |

(1) Revenue requirement includes changes in depreciation and amortization expense where applicable, which have no impact on pre-tax earnings
(2) As permitted by Delaware law, Delmarva Power implemented interim rate increases of $2.5M in Q3 2017 and will implement full allowable rates on March 17, 2018, subject to refund
(3) Solely for purposes of calculating the Allowance for Funds Used During Construction and regulatory asset carrying costs
(4) On February 5, 2018, Pepco filed with the MDPSC an update to its current distribution rate case to reflect approximately $30.7 million in annual tax savings resulting from the enactment of the TCJA

# Exelon Utilities EPS* Growth of 6-8% to 2021




**Rate base growth combined with PHI ROE improvement drives EPS growth**

Note: Includes after-tax interest expense held at Corporate for debt associated with existing utility investment

# Exelon Generation: Gross Margin Update

| | December 31, 2017 | | | Change from September 30, 2017 | |
|---|---|---|---|---|---|
| **Gross Margin Category ($M)**[1] | **2018** | **2019** | **2020** | **2018** | **2019** |
| Open Gross Margin[2,5] (including South, West, Canada hedged gross margin) | $4,350 | $3,900 | $3,750 | $450 | $200 |
| Capacity and ZEC Revenues[2,5,6] | $2,300 | $2,000 | $1,850 | - | - |
| Mark-to-Market of Hedges[2,3] | $350 | $400 | $250 | $(300) | $(50) |
| Power New Business / To Go | $550 | $750 | $900 | $(150) | $(100) |
| Non-Power Margins Executed | $200 | $100 | $100 | - | - |
| Non-Power New Business / To Go | $300 | $400 | $400 | - | - |
| **Total Gross Margin***[4,5] | **$8,050** | **$7,550** | **$7,250** | **-** | **$50** |

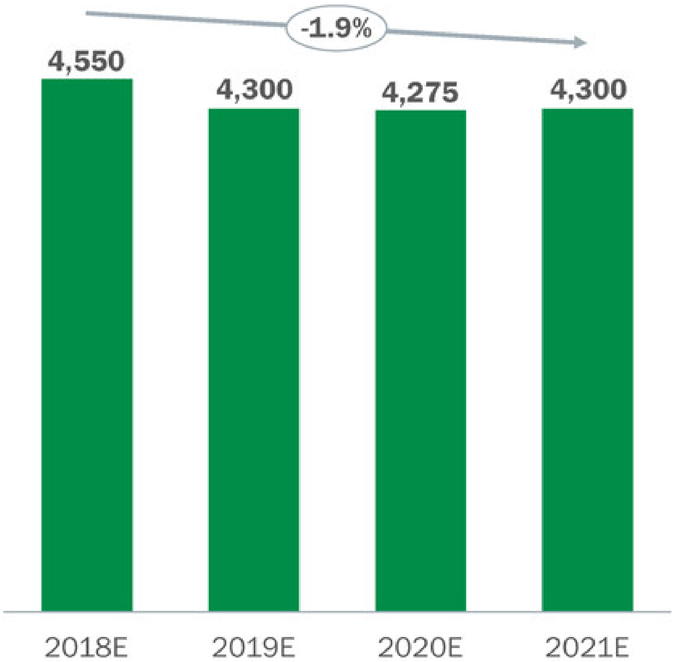
## Recent Developments

- In 2018, Total Gross Margin is flat compared to September 30, 2017, with the retention of Handley Generating Station adding $50M, offset by the early retirement of Oyster Creek which lowers Gross Margin by $50M
- In 2019, Total Gross Margin is up $150M on a combination of higher power prices, strengthening ERCOT spark spreads, and additional generation from Handley, partly offset by early retirement of Oyster Creek which lowers Gross Margin by $100M
- Relative to 2019, 2020 Total Gross Margin is lower by $300M:
  - $150M lower driven by reduction in Open Gross Margin primarily related to TMI retirement
  - $150M lower Capacity revenues from lower PJM and NE capacity prices
- Behind ratable hedging position reflects the upside we see in power prices
  - ~13-16% behind ratable in 2018 when considering cross commodity hedges

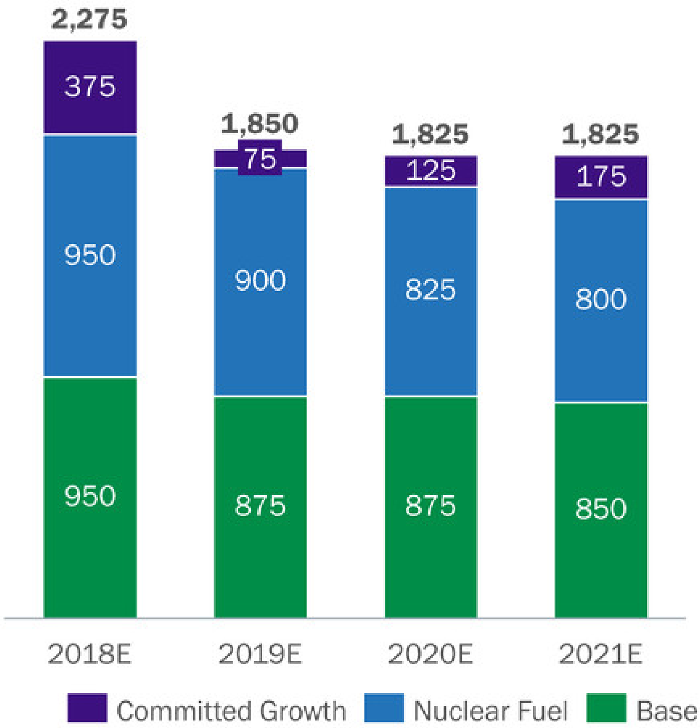
(1) Gross margin categories rounded to nearest $50M
(2) Excludes EDF's equity ownership share of the CENG Joint Venture
(3) Mark-to-Market of Hedges assumes mid-point of hedge percentages
(4) Based on December 31, 2017, market conditions
(5) Reflects Oyster Creek and TMI retirements in October 2018 and September 2019, respectively. EGTP removal impacts full year 2018, 2019, and 2020 and is adjusted for retaining Handley Generating Station.
(6) 2018 includes $150M of IL ZEC revenues associated with 2017 production

# Driving Costs and Capital Out of the Generation Business

**Adjusted O&M* ($M)[1,2]**




**Capital Expenditures ($M)[1,3,4]**




**Cost optimization programs and planned nuclear plant closures drive lower total O&M**

(1) All amounts rounded to the nearest $25M
(2) O&M and Capital Expenditures reflect removal of Oyster Creek and TMI in 2018 and 2019, respectively, and removal of EGTP in 2018 forward, adjusted for retaining Handley Generating Station
(3) Capital spend represents cash CapEx with CENG at 100% and excludes merger commitments
(4) 2018E growth capital expenditures reflects a ~$175M shift of cash outlay from 2017A to 2018E related to timing of payments for the CCGT projects in Texas



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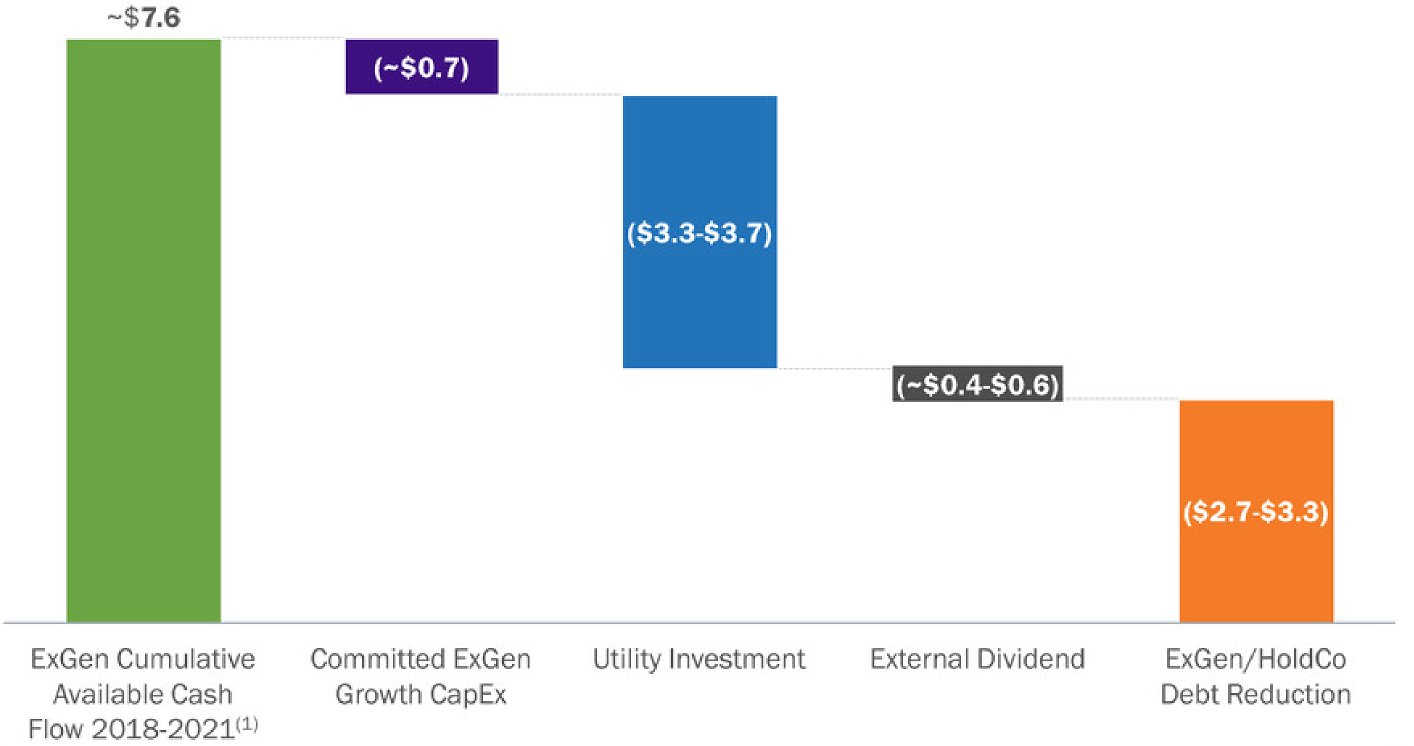
# ExGen's Strong Available Cash Flow* Supports Utility Growth and Debt Reduction

**2018-2021 Exelon Generation Available Cash Flow and Uses of Cash* ($B)**




**Redeploying Exelon Generation's available cash flow* to maximize shareholder value**

(1) Cumulative Available Cash Flow* is a midpoint of a range based on December 31, 2017, market prices. Sources include change in margin, tax sharing agreement, equity investments, equity distributions for renewables JV and Bluestem tax equity, and acquisitions and divestitures.



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# Impacts from Tax Reform

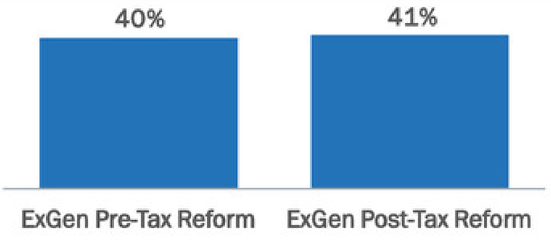
**Tax Impacts**

| | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| **Cumulative Incremental Rate Base from Tax Policy Changes** | $0.9 | $1.4 | $1.7 | $2.0 |
| **ExGen Effective Tax Rate** | 22% | 22% | 22% | 21% |
| **Consolidated Effective Tax Rate** | 18% | 19% | 20% | 20% |
| **Consolidated Cash Tax Rate** | 1% | 4% | 3% | 3% |

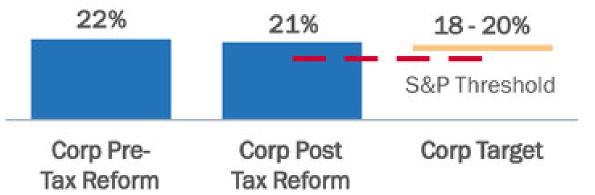
**Key Takeaways**

- Changes in federal tax policy are expected to increase run-rate EPS by $0.10 per share in 2019
- Utility rate base is expected to be $1.7B higher in 2020 than prior disclosures
- Generation cash flows will benefit from a lower tax rate and full expensing of capital with an effective tax rate of 22% in 2018-2020, and 21% in 2021
- Projected Exelon FFO/Debt is largely unchanged with ExGen metrics stronger and modest deterioration at the six regulated utilities, which remain at or above rating agency thresholds

**2018 ExGen S&P FFO/Debt %***




**2018 Exelon S&P FFO/Debt %*[(1,2)]**

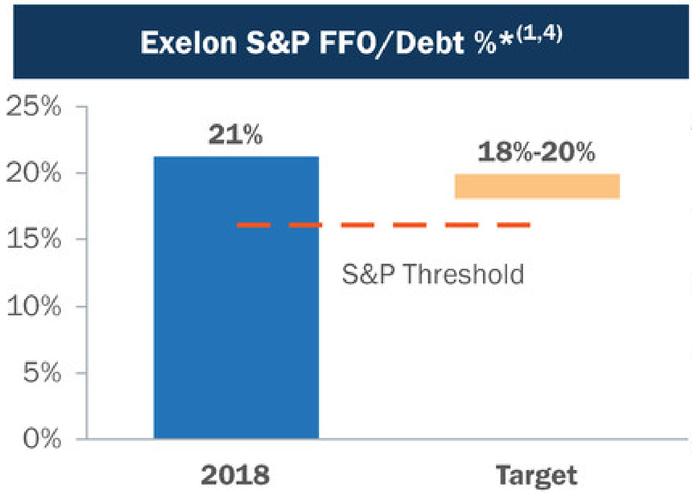


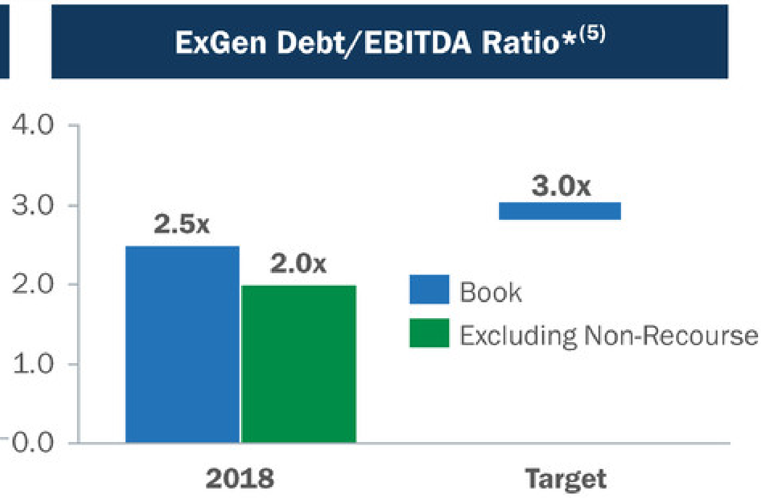

**Reflects the increased free cash flow as a result of tax rates decreasing to 22% from an expected 33% in 2018**

**Impact of tax reform on Exelon's metrics is largely neutral given offsetting impacts between ExGen and utilities**

(1) Due to ring-fencing, S&P deconsolidates BGE from Exelon and analyzes solely as an equity investment
(2) Exelon Corp downgrade threshold (red dotted line) is based on the S&P Exelon Corp Summary Report; represents minimum level to maintain current Issuer Credit Rating of BBB at Exelon Corp

# Maintaining Strong Investment Grade Credit Ratings is a Top Financial Priority



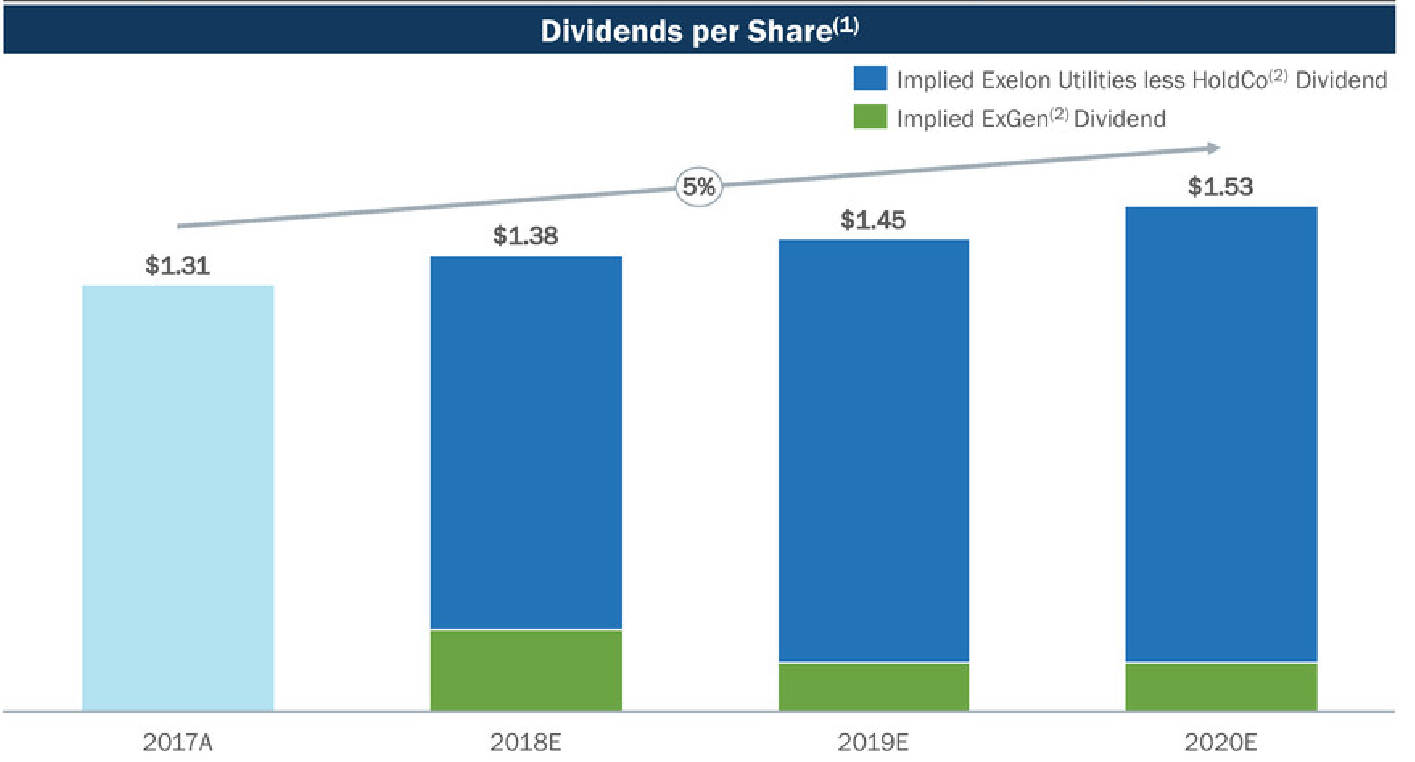




## Credit Ratings by Operating Company

| Current Ratings (2,3) | ExCorp | ExGen | ComEd | PECO | BGE | ACE | DPL | Pepco |
|---|---|---|---|---|---|---|---|---|
| Moody's | Baa2 | Baa2 | A1 | Aa3 | A3 | A3 | A2 | A2 |
| S&P | BBB- | BBB | A- | A- | A- | A | A | A |
| Fitch | BBB | BBB | A | A | A- | A- | A | A- |

(1) Due to ring-fencing, S&P deconsolidates BGE from Exelon and analyzes solely as an equity investment
(2) Current senior unsecured ratings as of February 7, 2018, for Exelon, Exelon Generation and BGE and senior secured ratings for ComEd, PECO, ACE, DPL, and Pepco
(3) All ratings have a "Stable" outlook
(4) Exelon Corp downgrade threshold (red dotted line) is based on the S&P Exelon Corp Summary Report; represents minimum level to maintain current Issuer Credit Rating of BBB at Exelon Corp
(5) Reflects net book debt (YE debt less cash on hand) / adjusted operating EBITDA*

# Raising Dividend Growth Rate to 5% Annually through 2020




**Assuming a steady 70% payout ratio on Utility less HoldCo earnings, ExGen's contribution to the Exelon dividend represents a modest payout on earnings and free cash flow**

(1) Quarterly dividends are subject to declaration by the board of directors
(2) Total projected Dividend per Share (DPS) figures are illustrative of a 5% growth annually applied to the 2017 dividend. Implied Exelon Utilities contribution is based on a 70% payout on the midpoint of the EPS guidance band for Exelon Utilities less HoldCo. Implied ExGen contribution is based on the remaining balance between the illustrative total annual DPS and the Implied Exelon Utilities contribution.

# Resiliency and Energy Market Reform

## Price Formation

- PJM has stated that it is committed to advancing its proposal to allow all resources to set LMP and to improving scarcity pricing
- PJM issued "Proposed Enhancements to Energy Price Formation" whitepaper in November 2017
- January 8, 2018, FERC order on resilience invited RTOs to submit filings discussing potential paths forward for addressing any identified gaps or exposure on the resilience of the bulk power system
- "One of the most important things that we have been focused on is how does our market . . . actually compensate for resources that are providing reliability services? We've proposed key reforms and have engaged in discussion about key reforms on what we call price formation...we're looking for FERC and certainly we'll work with FERC to put time discipline on these discussions to address these in a timely manner." - PJM CEO and President Andrew Ott at Senate ENR Committee hearing on January 23, 2018

## Resiliency

- FERC issued "Grid Reliability and Resilience Pricing" order on January 8, 2018, to open new docket on resilience
- "The Commission recognizes that we must remain vigilant with respect to resilience challenges, because affordable and reliable electricity is vital to the country's economic and national security." – January 8 order at 1
- "[W]e are not ending our work on the issue of resilience. To the contrary, we are initiating a new proceeding to address resilience in a broader context" - January 8 order at 7
- "As we stated in our order, we appreciate the secretary reinforcing the importance of the resilience of our bulk power system as an issue that warrants further attention and, as we said in our order, prompt attention.... it's something where I have declared it, and our order declares it to be a matter of priority for this commission...Those are not words we utter very often – it is a declared priority of the Commission " - FERC Chairman Kevin McIntyre at Senate ENR Committee hearing on January 23, 2018

**In 2018, FERC and PJM are considering action on price formation and valuing the attribute of resilience, both of which should directly benefit our 24x7 nuclear fleet**



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# ZEC Updates

## New York ZEC Legal Challenges

**Federal Case:**

- Case dismissed on July 25 and judgment entered on July 27
- "The ZEC program does not thwart the goal of an efficient energy market; rather, it encourages through financial incentives the production of clean energy"
- On August 24, the plaintiffs appealed to the US Court of Appeals for the 2nd Circuit
- Briefing schedule:
  - Plaintiff-Appellant Opening Brief filed October 13
  - Reply Briefs filed on December 1
  - Oral arguments scheduled for March 12

**State case:**

- On January 22, the court partially affirmed and partially denied motion to dismiss
- The case will proceed in the trial court and will likely be decided on motions for summary judgment, which could take up to a year

## Illinois ZEC Legal Challenges

- Both cases dismissed and judgment entered July 14
- "The ZEC program does not conflict with the Federal Power Act"
- On July 17, both sets of plaintiffs appealed to the US Court of Appeals for the 7th Circuit
- On July 18, the 7th Circuit consolidated the appeals and set a briefing schedule:
  - Plaintiff-Appellant Opening Brief filed August 28
  - Reply Briefs filed on December 12
  - Oral arguments occurred on January 3, 2018 – Judge requested supplemental briefings within 14 days
- Supplemental briefs were filed on January 26
- Parties are awaiting further action by the court

## New Jersey ZEC

- In December, two legislative committees in the New Jersey senate and assembly unanimously passed the nuclear diversity credit bill
- On January 8th, the lame duck session of the NJ Legislature came to a close without a vote on the floor
- At the time, Governor-elect Murphy expressed a preference to include support for nuclear in a broader clean energy legislative package that will provide a number of benefits for customers in NJ
- On January 25, an expanded clean energy bill was introduced in the Senate, incorporating the same nuclear support provisions but recharacterizing them as ZECs to reflect new priorities
- Exelon looks forward to continuing to work with Governor Murphy and the legislature in the upcoming session



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## The Exelon Value Proposition

- **Regulated Utility Growth** with utility EPS rising 6-8% annually from 2017-2021 and rate base growth of 7.4%, representing an expanding majority of earnings
- **ExGen's strong free cash generation** will support utility growth while also reducing debt by ~$3B over the next 4 years
- **Optimizing ExGen value by:**
  - Seeking fair compensation for the zero-carbon attributes of our fleet;
  - Closing uneconomic plants;
  - Monetizing assets; and,
  - Maximizing the value of the fleet through our generation to load matching strategy
- **Strong balance sheet is a priority** with all businesses comfortably meeting investment grade credit metrics through the 2021 planning horizon
- **Capital allocation priorities targeting**:
  - Organic utility growth;
  - Return of capital to shareholders with 5% annual dividend growth through 2020[1],
  - Debt reduction; and,
  - Modest contracted generation investments

(1) Quarterly dividends are subject to declaration by the board of directors

# 2018 Business Priorities and Commitments

**Maintain industry leading operational excellence**

**Effectively deploy $5.4B of 2018 utility capex**

**Advance PJM power price formation changes in 2018**

**Prevail on legal challenges to the NY and IL ZEC programs**

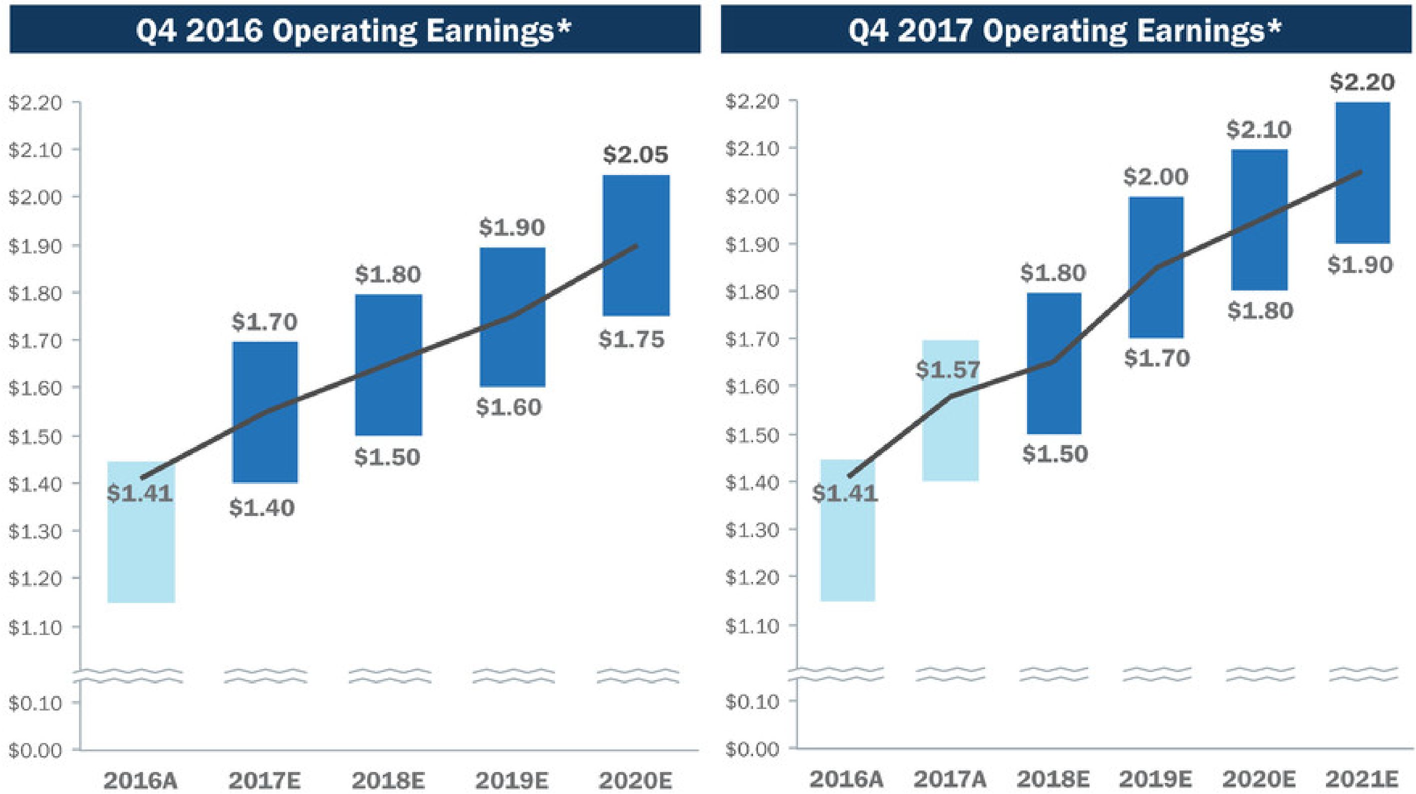
**Seek fair compensation for at-risk plants in NJ and PA**

**Grow dividend at 5% rate**

**Continued commitment to corporate responsibility**

# Additional Disclosures

# Exelon Utilities EPS Growth of 6-8% from 2018-2021




**Utility growth rate remains 6-8%, driven by rate base growth and improving PHI ROEs**

Note: Includes after-tax interest expense held at Corporate for debt costs associated with utility investment.



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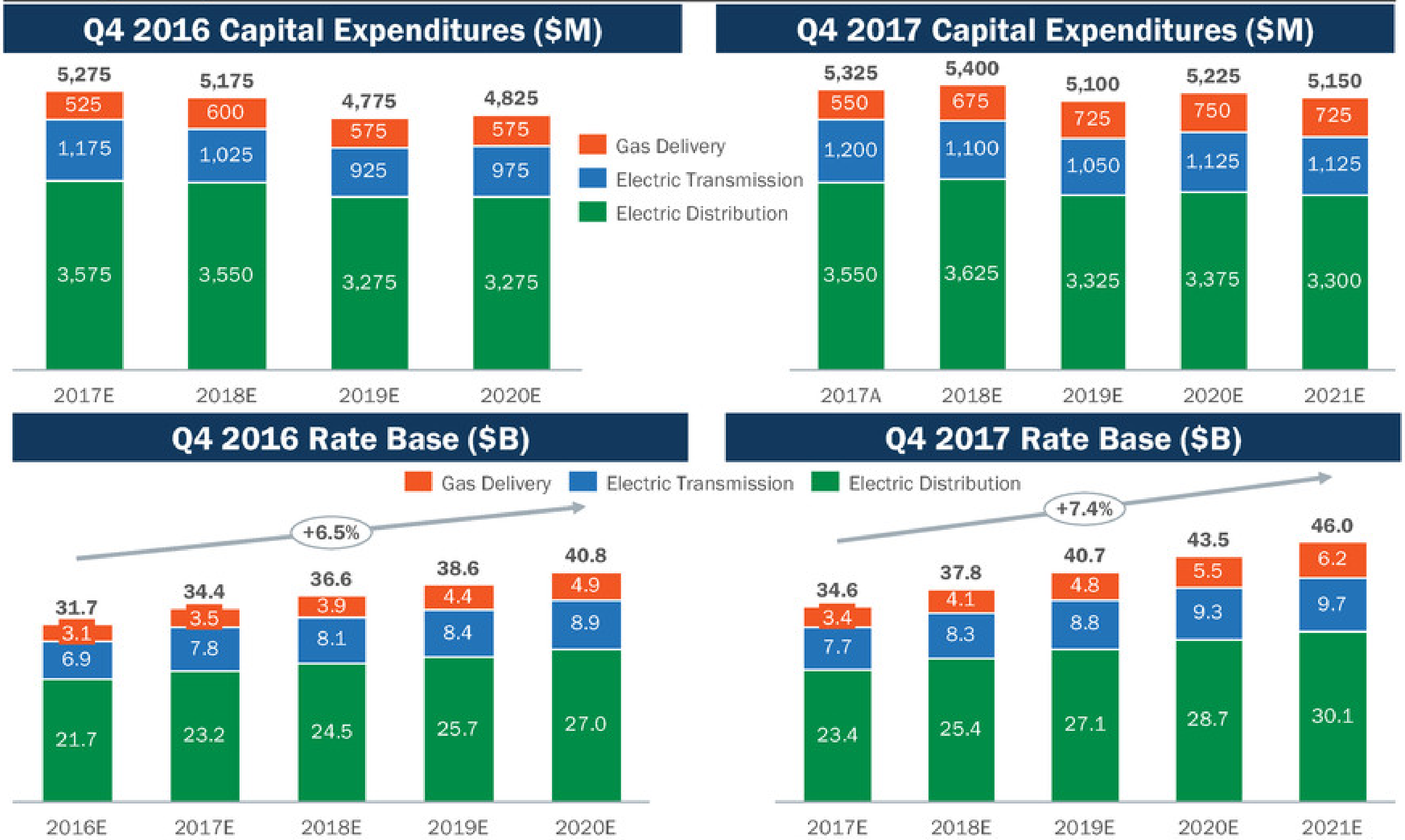
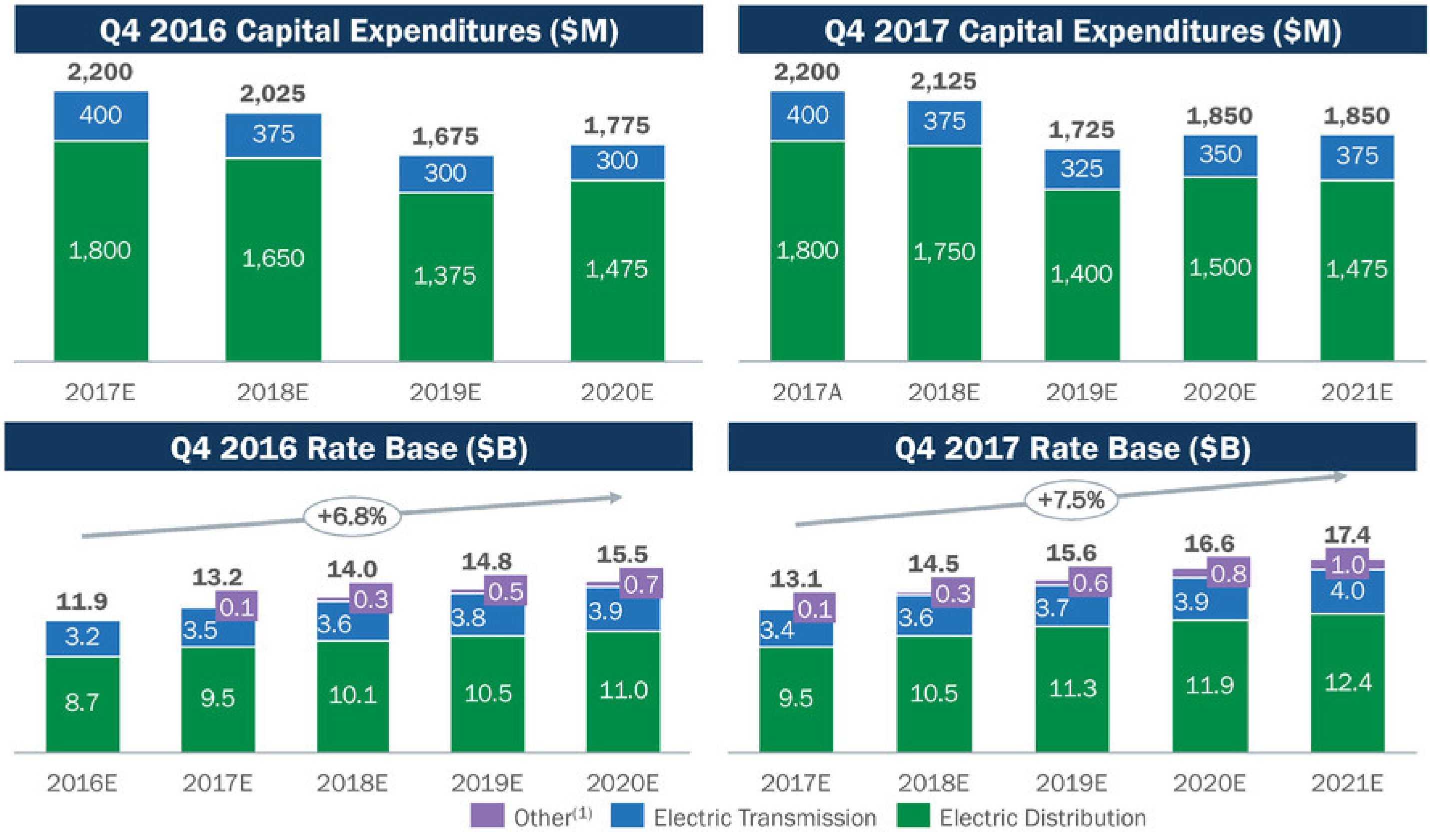
## Utility Capex and Rate Base vs. Previous Disclosure




**We will invest $21B of capital in utilities from 2018-2021, supporting rate base growth of 7.4% from 2017-2021**

Note: Numbers rounded to nearest $25M and may not add due to rounding. Rate base reflects year-end estimates.

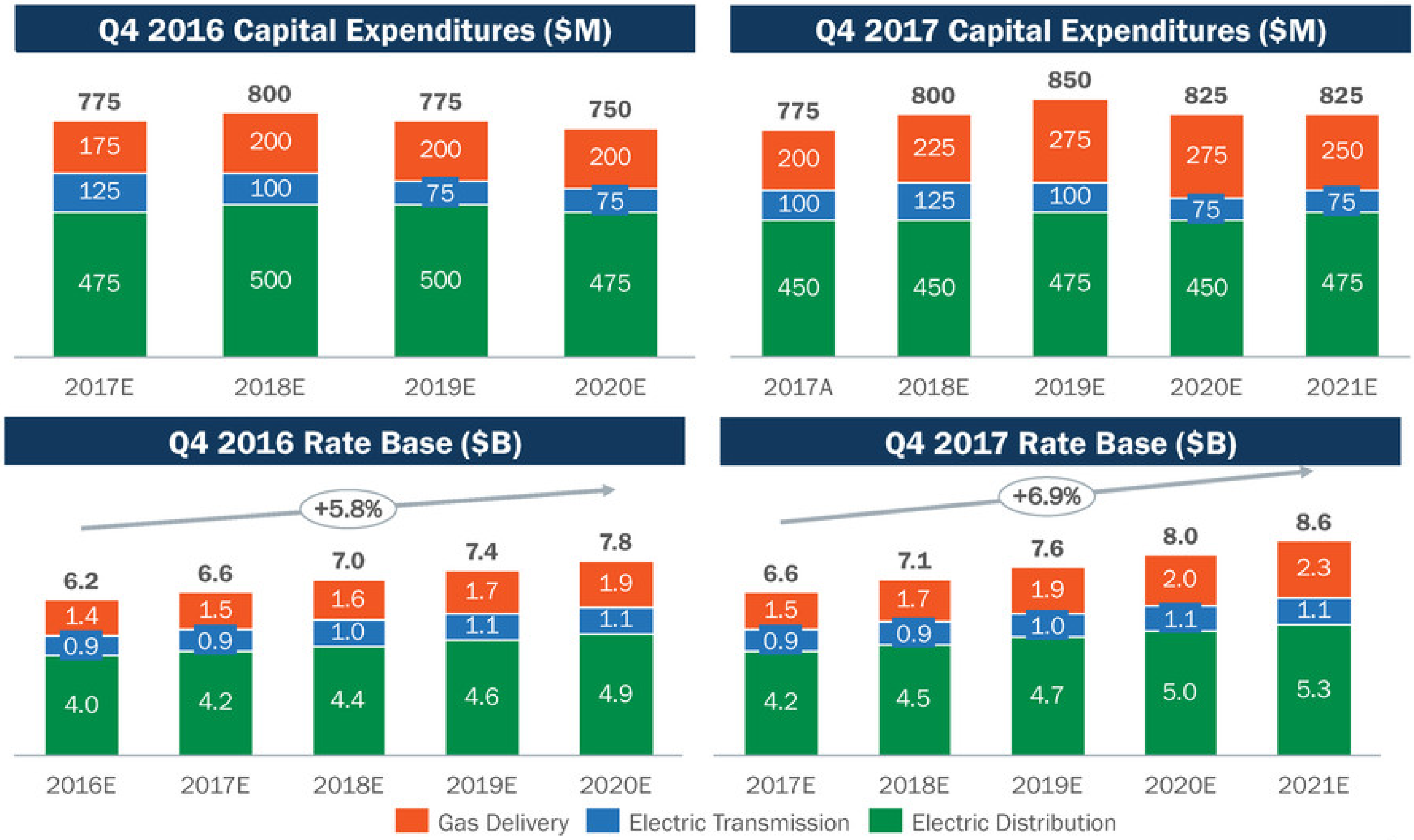
# ComEd Capital Expenditure and Rate Base Forecast




**~$7.6B of Capital being invested from 2018-2021**

Note: Numbers rounded to nearest $25M and may not add due to rounding. Rate base reflects year-end estimates.
(1) Other includes long-term regulatory assets, which earn a return consistent with rate base, including Energy Efficiency and the Solar Rebate Program

# PECO Capital Expenditure and Rate Base Forecast




**~$3.3B of Capital being invested from 2018-2021**

Note: Numbers rounded to nearest $25M and may not add due to rounding. Rate base reflects year-end estimates.



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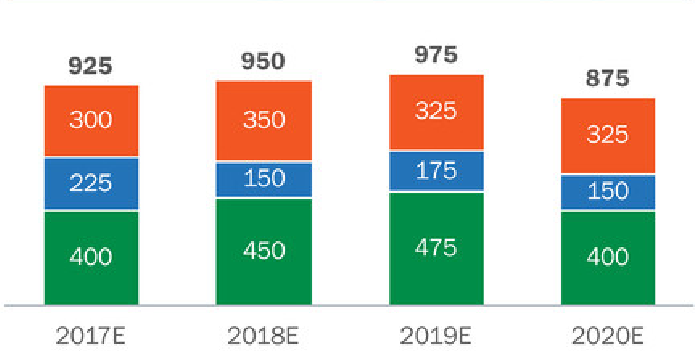
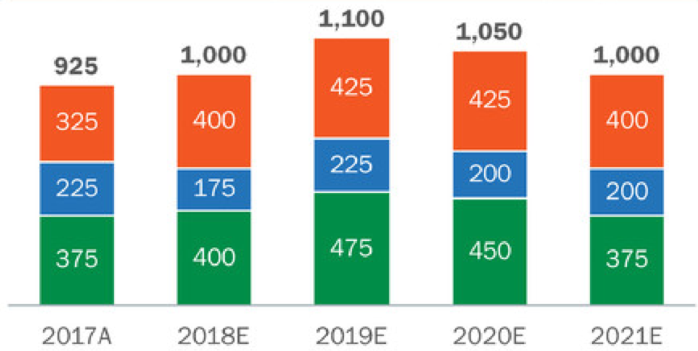
# BGE Capital Expenditure and Rate Base Forecast

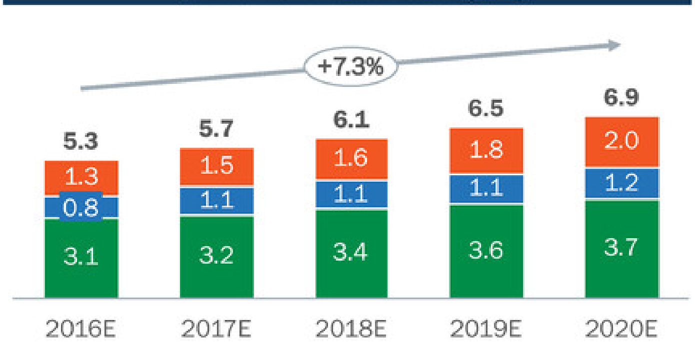
## Q4 2016 Capital Expenditures ($M)



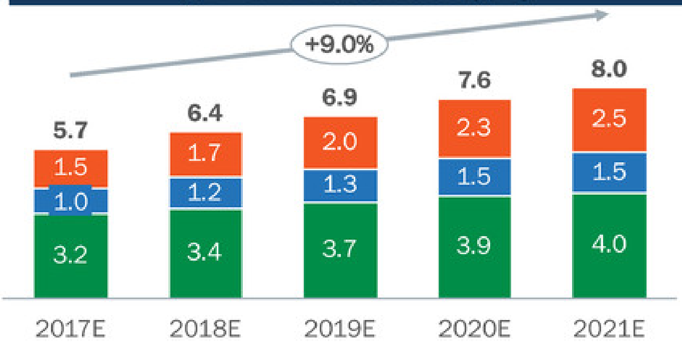

## Q4 2017 Capital Expenditures ($M)




## Q4 2016 Rate Base ($B)




## Q4 2017 Rate Base ($B)




Gas Delivery   Electric Transmission   Electric Distribution

**~$4.2B of Capital being invested from 2018-2021**

Note: Numbers rounded to nearest $25M and may not add due to rounding. Rate base reflects year-end estimates.



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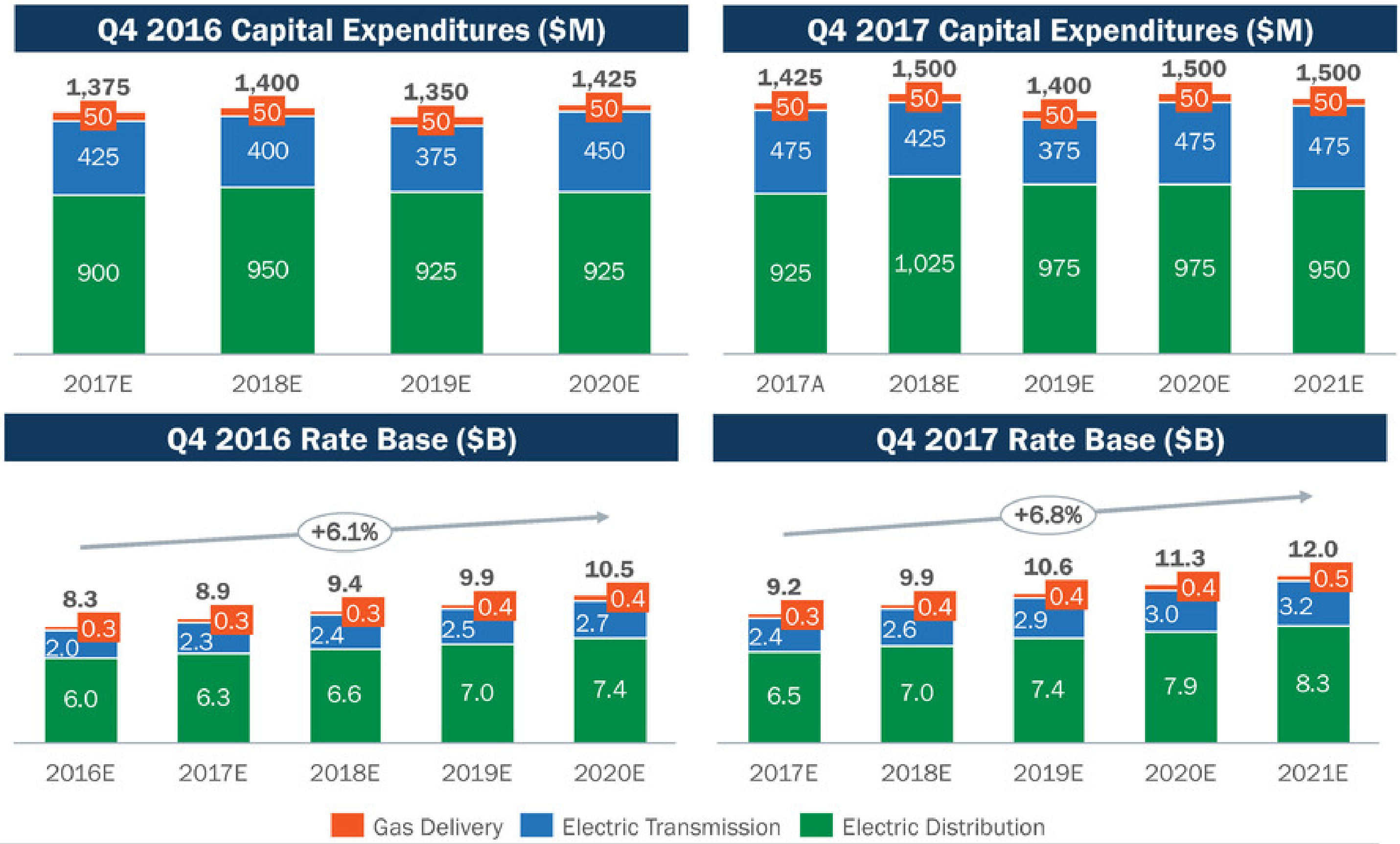
# PHI Consolidated Capital Expenditure and Rate Base Forecast




**~$5.9B of Capital being invested from 2018-2021**

Note: Numbers rounded to nearest $25M and may not add due to rounding. Rate base reflects year-end estimates.



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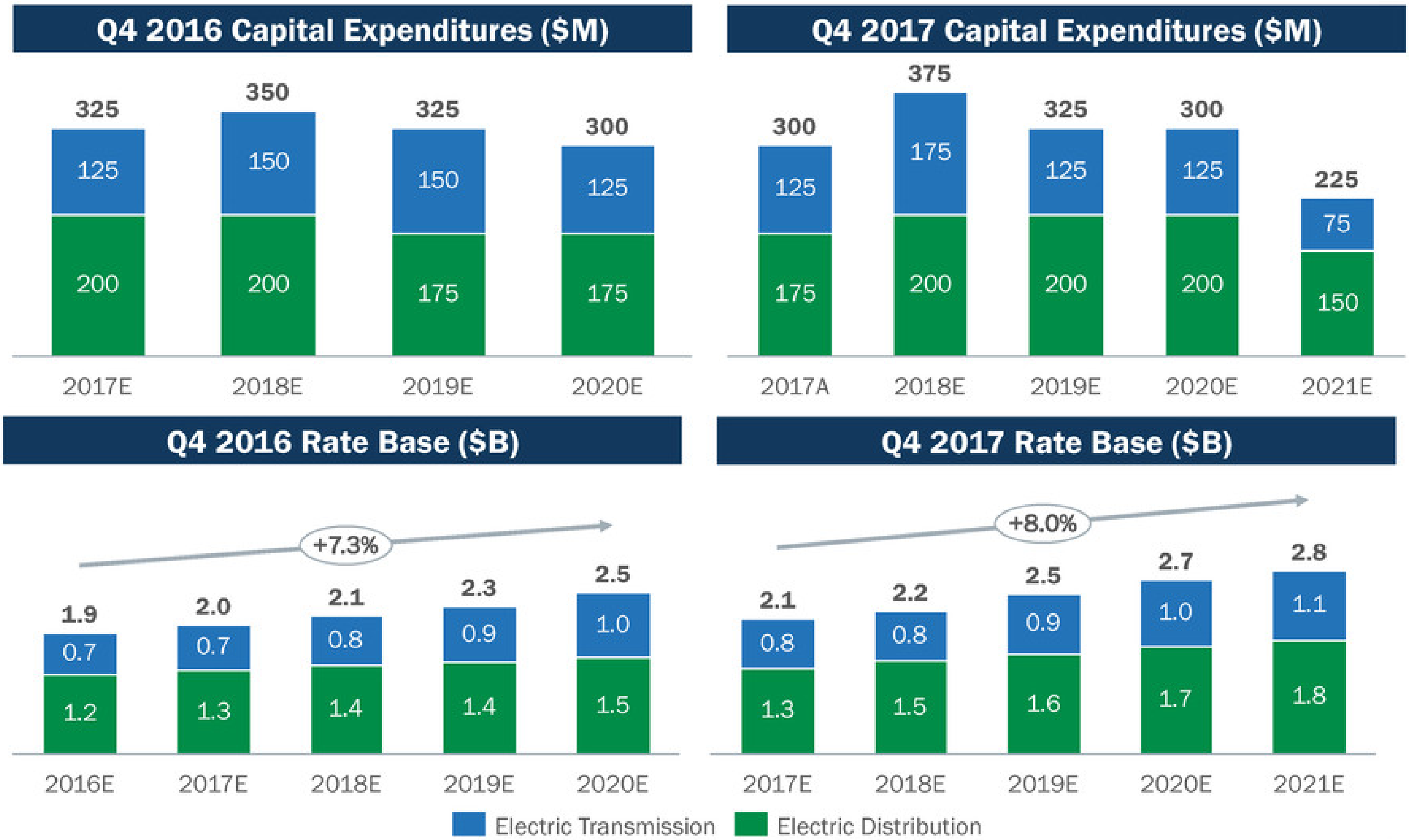
# ACE Capital Expenditure and Rate Base Forecast




**~$1.2B of Capital being invested from 2018-2021**

Note: Numbers rounded to nearest $25M and may not add due to rounding. Rate base reflects year-end estimates.



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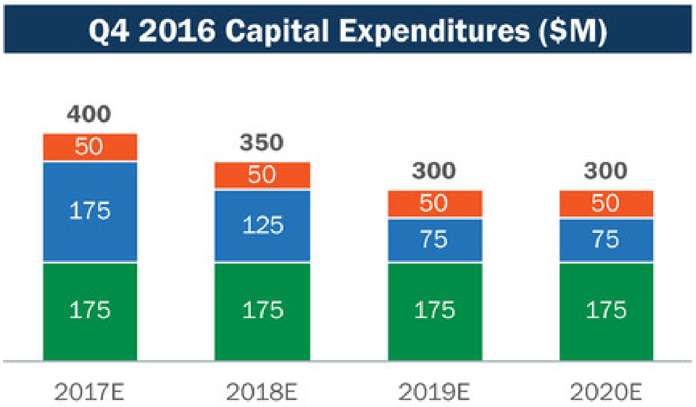
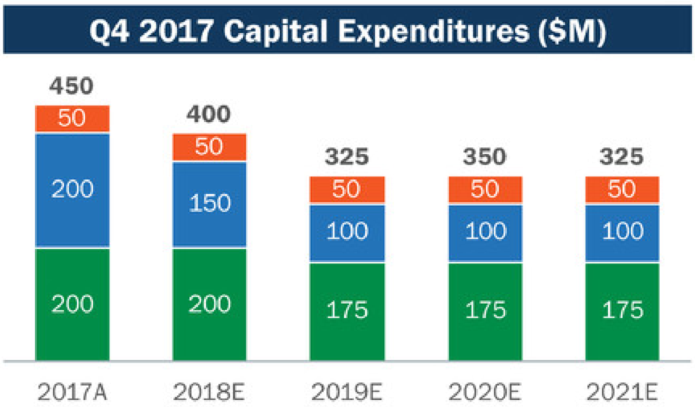
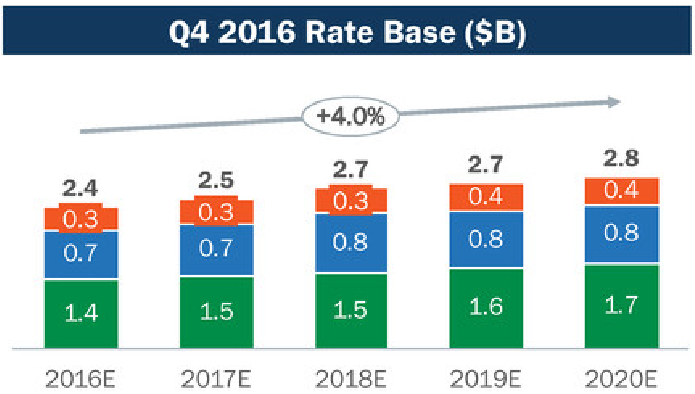
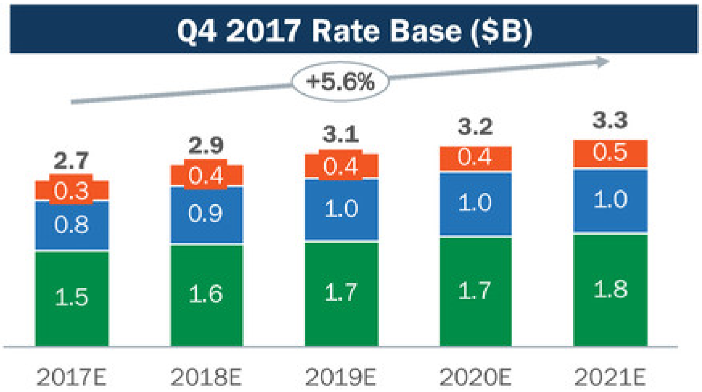
# Delmarva Capital Expenditure and Rate Base Forecast




Gas Delivery Electric Transmission Electric Distribution

**~$1.4B of Capital being invested from 2018-2021**

Note: Numbers rounded to nearest $25M and may not add due to rounding. Rate base reflects year-end estimates.



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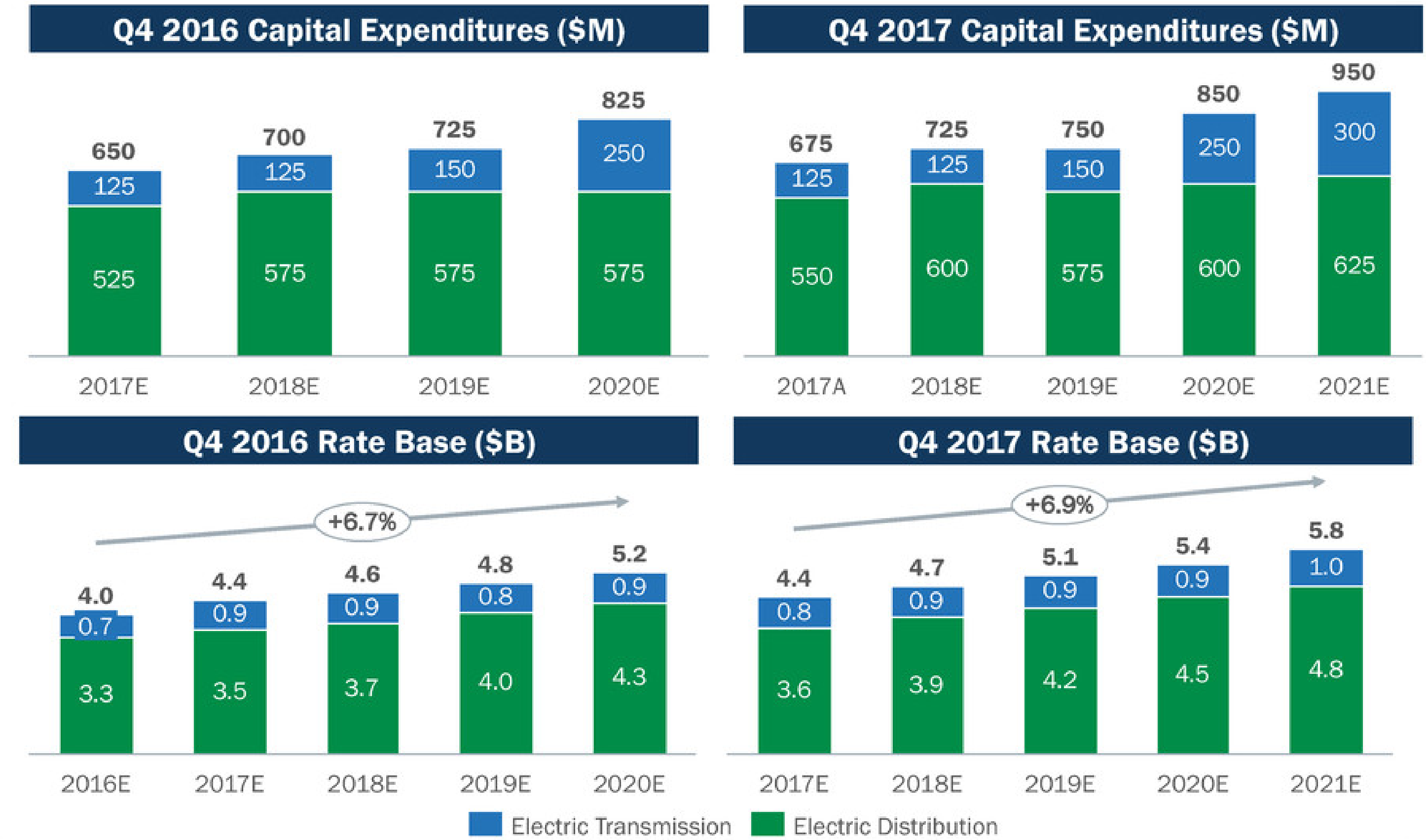
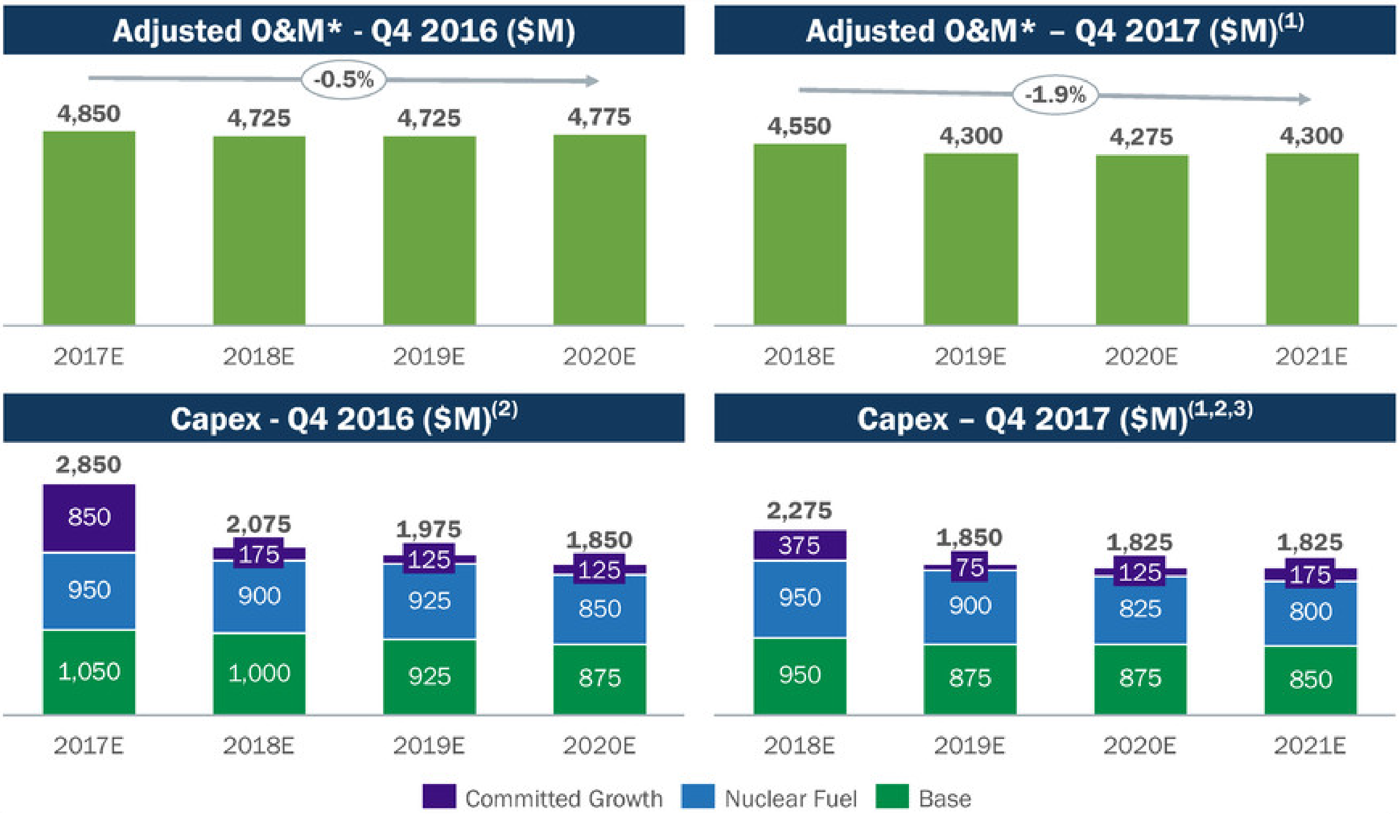
# Pepco Capital Expenditure and Rate Base Forecast




**~$3.3B of Capital being invested from 2018-2021**

Note: Numbers rounded to nearest $25M and may not add due to rounding. Rate base reflects year-end estimates.

# ExGen O&M and Capex vs. Previous Disclosure



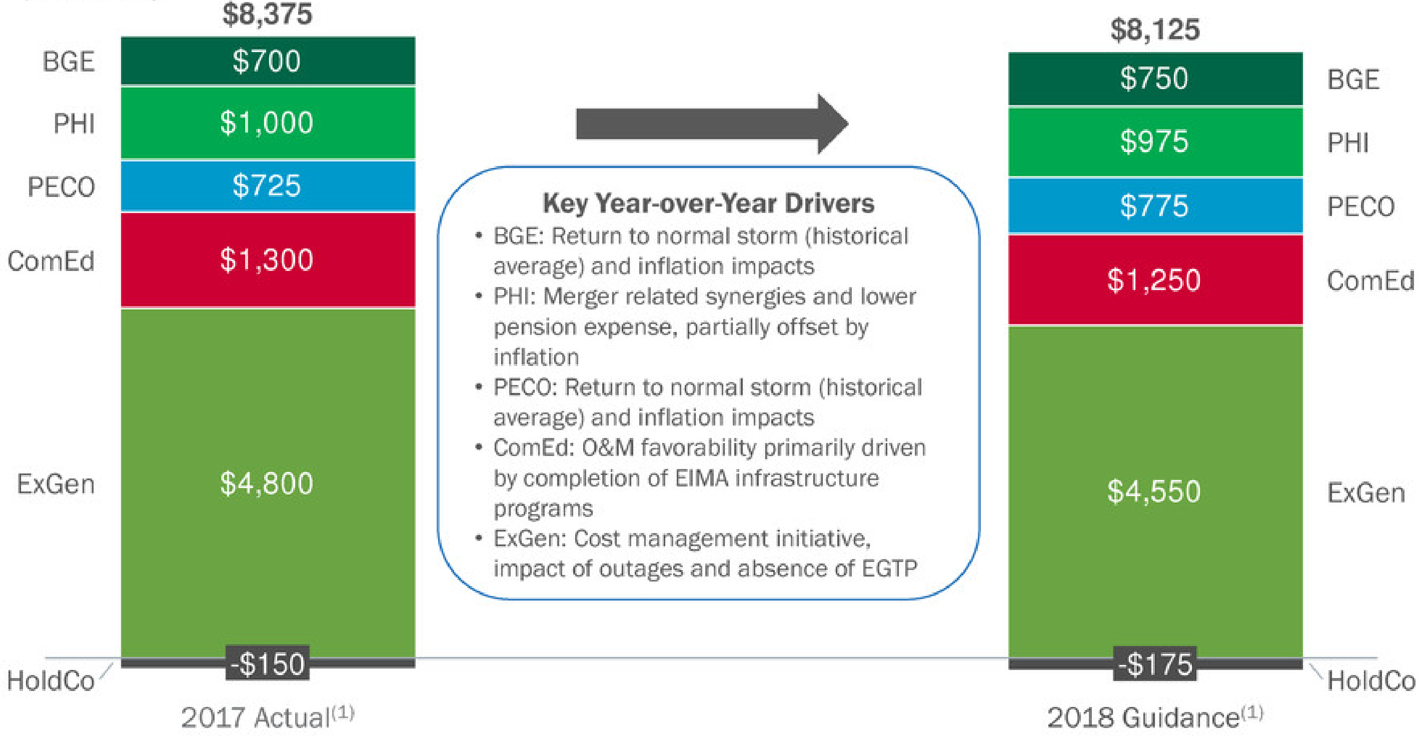

**Capital and O&M now reflect removal of EGTP[4], Oyster Creek, and TMI**

(1) O&M and Capital Expenditures reflect removal of Oyster Creek and TMI in 2018 and 2019, respectively, and removal of EGTP in 2018 forward, adjusted for retaining Handley Generating Station
(2) Capital spend represents cash CapEx with CENG at 100% and excludes merger commitments
(3) 2018E growth capital expenditures reflects a ~$175M shift of cash outlay from 2017A to 2018E related to the CCGT projects in Texas
(4) Adjusted for retaining Handley Generating Station

# Adjusted O&M* Forecast

- **Expect Compound Annual Growth Rate of -1.1% for 2018-2021**

*($ in millions)*




**Key Year-over-Year Drivers**

- BGE: Return to normal storm (historical average) and inflation impacts
- PHI: Merger related synergies and lower pension expense, partially offset by inflation
- PECO: Return to normal storm (historical average) and inflation impacts
- ComEd: O&M favorability primarily driven by completion of EIMA infrastructure programs
- ExGen: Cost management initiative, impact of outages and absence of EGTP

(1) All amounts rounded to the nearest $25M and may not add due to rounding



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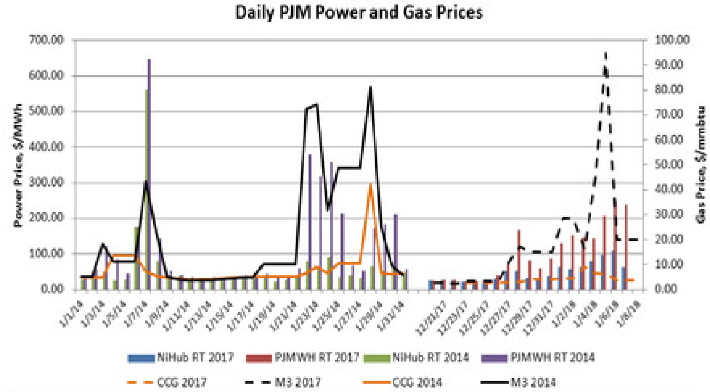
# Comparing Winter 2017/2018 and the 2014 Polar Vortex

## 2014 Polar Vortex vs. 2017/2018 Winter

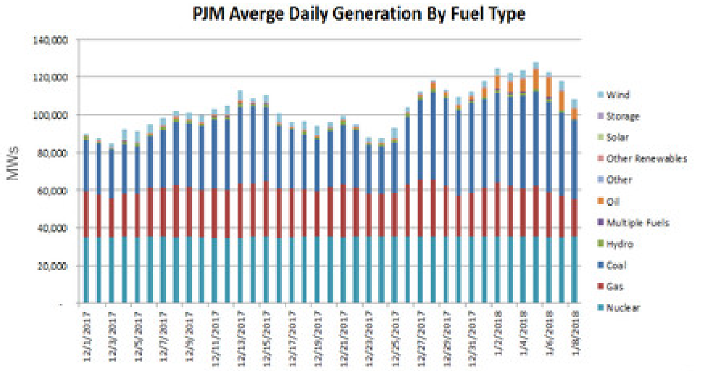



## Generation Forced Outages[1]

| | Polar Vortex 1/7/2014 | | Winter 2017/2018 1/5/2018 | | 1/6/2018 | |
|---|---|---|---|---|---|---|
| Fuel Type | MW | % | MW | % | MW | % |
| Coal | 13,700 | 34% | 5,849 | 35% | 7,095 | 31% |
| Gas-Plant | 9,700 | 24% | 6,590 | 40% | 9,220 | 40% |
| Gas-Supply | 9,300 | 23% | 2,181 | 13% | 3,143 | 14% |
| Nuclear | 1,400 | 3% | 0 | 0% | 0 | 0% |
| Oil | | | 1,273 | 8% | 1,991 | 9% |
| Other | 6,100 | 15% | 778 | 5% | 1,457 | 6% |
| | 40,200 | | 16,671 | | 22,906 | |

+23,000MW Improvement

## Generation Fuel Mix (MW)[2]




## Key Takeaways

- PJM power prices cleared at times over ~$200/MWh during the 2017/2018 winter, but were not as high as during the 2014 Polar Vortex
- Gas prices, while strong, were also not as high as polar vortex
- Unplanned outages during the 2017/2018 winter were much lower than experienced during the Polar Vortex, in part reflecting the benefits of improved reliability associated with the capacity performance improvements
- On the days with the highest gas prices, oil units ran and replaced eastern gas units

(1) Source: PJM Cold Weather Summary report, dated January 9, 2018
(2) Source: PJM



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# ExGen Forward Total Gross Margin* Walk: Q4 2017 vs. Q3 2017

## FY 2018 ($M)(1,3,4,5)


## FY 2019 ($M)(1,3,4)


## FY 2020 versus FY 2019 ($M)(1,3,4)


(1) Gross margin categories rounded to nearest $50M
(2) Excludes EDF's equity ownership share of the CENG Joint Venture
(3) Based on December 31, 2017, market conditions
(4) Reflects Oyster Creek and TMI retirements in October 2018 and September 2019, respectively. EGTP removal impacts full year 2018, 2019, and 2020 and is adjusted for retaining Handley Generating Station.
(5) 2018 includes $150M of IL ZEC revenues associated with 2017 production

## Key Takeaways

- In 2018, Total Gross Margin is flat compared to September 30, 2017, reflecting a $50M increase from retention of Handley Generating Station, and $50M decrease from the early retirement of Oyster Creek
  - Strong quarter executing on $150M of power new business
- In 2019, total gross margin is up $50M, reflecting $100M increase on higher power prices and strengthening ERCOT spark spreads plus $50M from additional generation from Handley, partially offset by the early retirement of Oyster Creek
- Relative to 2019, 2020 Total Gross Margin is lower by $300M:
  - $150M lower primarily driven by Open Gross Margin related to TMI retirement
  - $150M lower Capacity revenues from lower PJM and NE capacity prices

# 2018 Projected Sources and Uses of Cash

| ($M)[1] | BGE | ComEd | PECO | PHI | Total Utilities | ExGen | Corp[8] | Exelon 2018E | Cash Balance |
|---|---|---|---|---|---|---|---|---|---|
| **Beginning Cash Balance*[2]** | | | | | | | | | **1,400** |
| Adjusted Cash Flow from Operations*[2] | 625 | 1,625 | 600 | 1,125 | 3,975 | 3,875 | 275 | 8,100 | |
| Base CapEx and Nuclear Fuel[3] | 0 | 0 | 0 | 0 | 0 | (2,000) | (25) | (2,025) | |
| **Free Cash Flow*** | **625** | **1,625** | **600** | **1,125** | **3,975** | **1,875** | **225** | **6,075** | |
| Debt Issuances | 300 | 1,300 | 700 | 750 | 3,050 | 0 | 0 | 3,050 | |
| Debt Retirements | 0 | (850) | (500) | (250) | (1,600) | 0 | 0 | (1,600) | |
| Project Financing | n/a | n/a | n/a | n/a | n/a | (100) | n/a | (100) | |
| Equity Issuance/Share Buyback | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Contribution from Parent | 100 | 450 | 50 | 225 | 850 | 0 | (850) | 0 | |
| Other Financing[4] | 175 | 300 | 25 | (75) | 425 | (100) | (50) | 275 | |
| **Financing*[5]** | **600** | **1,200** | **275** | **650** | **2,725** | **(200)** | **(900)** | **1,625** | |
| **Total Free Cash Flow and Financing** | **1,200** | **2,850** | **875** | **1,775** | **6,700** | **1,675** | **(675)** | **7,700** | |
| Utility Investment | (1,000) | (2,125) | (800) | (1,500) | (5,400) | 0 | 0 | (5,400) | |
| ExGen Growth[3,6] | 0 | 0 | 0 | 0 | 0 | (375) | 0 | (375) | |
| Acquisitions and Divestitures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Equity Investments | 0 | 0 | 0 | 0 | 0 | (25) | 0 | (25) | |
| Dividend[7] | 0 | 0 | 0 | 0 | 0 | 0 | (1,325) | (1,325) | |
| **Other CapEx and Dividend** | **(1,000)** | **(2,125)** | **(800)** | **(1,500)** | **(5,400)** | **(400)** | **(1,325)** | **(7,125)** | |
| **Total Cash Flow** | **225** | **700** | **75** | **275** | **1,300** | **1,275** | **(2,000)** | **575** | |
| **Ending Cash Balance*[2]** | | | | | | | | | **1,975** |

(1) All amounts rounded to the nearest $25M. Figures may not add due to rounding.
(2) Gross of posted counterparty collateral
(3) Figures reflect cash CapEx and CENG fleet at 100%
(4) Other Financing primarily includes expected changes in money pool borrowings, tax sharing from the parent, debt issue costs, tax equity cash flows, capital leases, and renewable JV distributions
(5) Financing cash flow excludes intercompany dividends and other intercompany financing activities
(6) ExGen Growth CapEx primarily includes Texas CCGTs, W. Medway, and Retail Solar
(7) Dividends are subject to declaration by the Board of Directors
(8) Includes cash flow activity from Holding Company, eliminations, and other corporate entities

**Consistent and reliable free cash flows**

*Operational excellence and financial discipline drives free cash flow reliability*

✓ Generating $6.1B of free cash flow, including $1.9B at ExGen and $4.0B at the Utilities

**Supported by a strong balance sheet**

*Strong balance sheet enables flexibility to raise and deploy capital for growth*

✓ $1.4B of long-term debt at the utilities, net of refinancing, to support continued growth

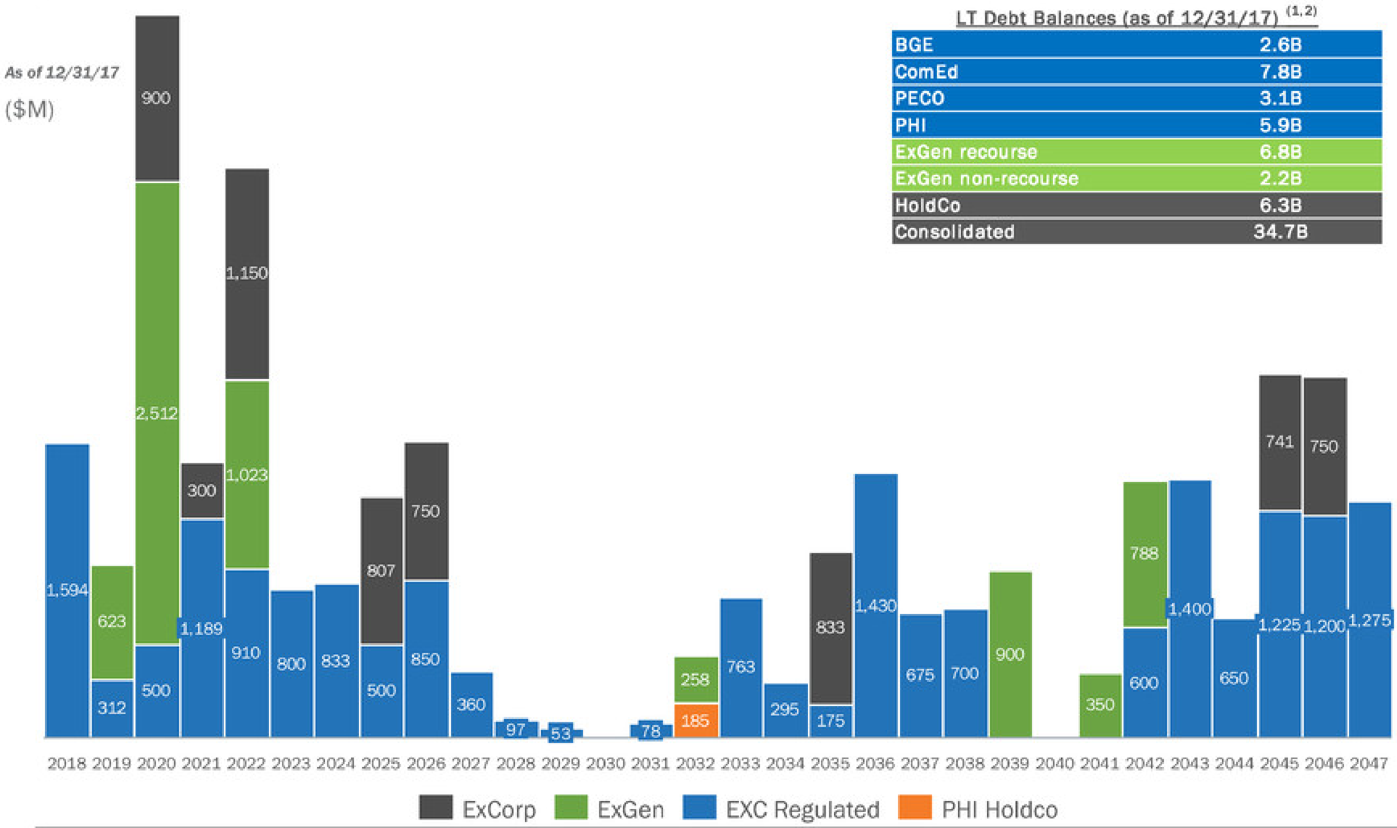
**Enable growth & value creation**

*Creating value for customers, communities and shareholders*

✓ Investing $5.8B of growth capex, with $5.4B at the Utilities and $0.4B at ExGen

# Exelon Debt Maturity Profile[(1)]

| LT Debt Balances (as of 12/31/17) [(1,2)] | |
|---|---|
| BGE | 2.6B |
| ComEd | 7.8B |
| PECO | 3.1B |
| PHI | 5.9B |
| ExGen recourse | 6.8B |
| ExGen non-recourse | 2.2B |
| HoldCo | 6.3B |
| Consolidated | 34.7B |




**Exelon's weighted average LTD maturity is approximately 13 years**

(1) Maturity profile excludes non-recourse debt, securitized debt, capital leases, fair value adjustments, unamortized debt issuance costs and unamortized discount/premium
(2) Long-term debt balances reflect 2017 10-K GAAP financials; ExGen debt includes legacy CEG debt

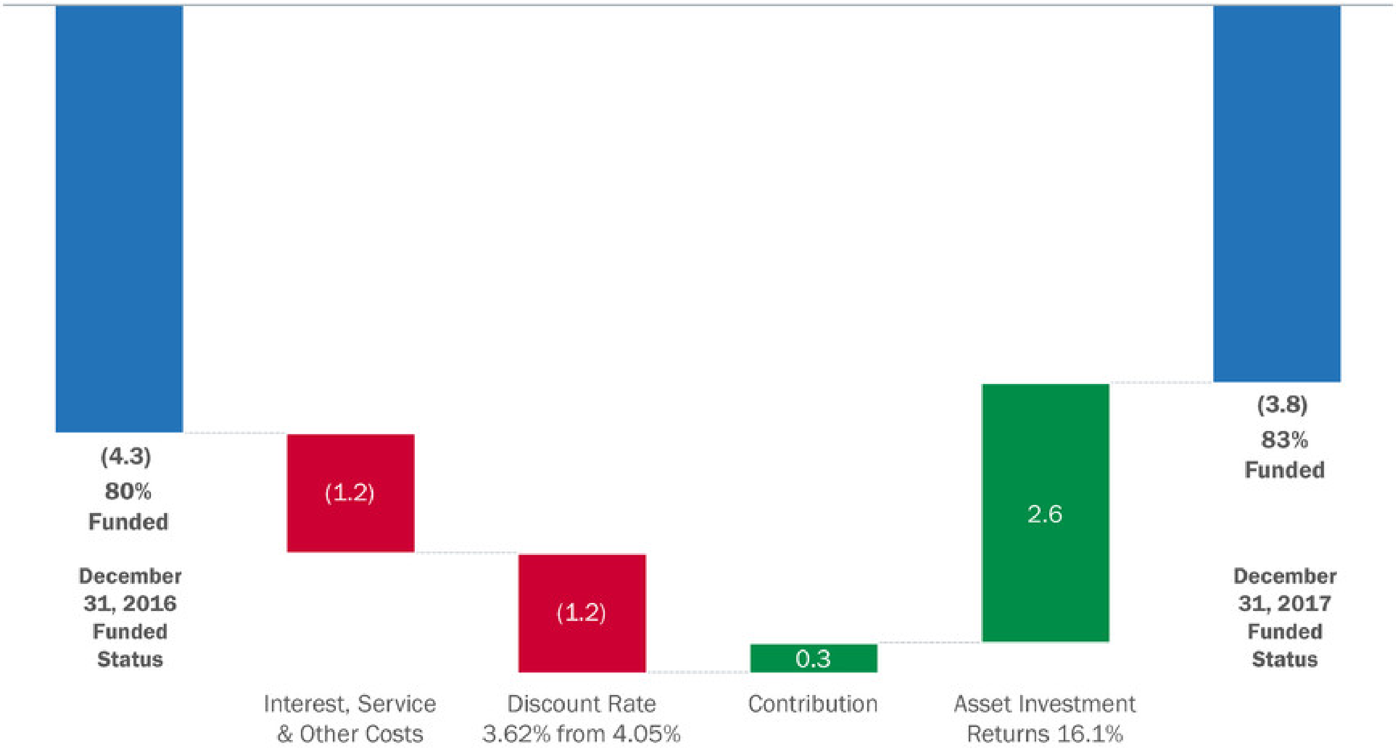
# Pension and OPEB Contributions and Expense

| | 2017 | | 2018 | |
|---|---|---|---|---|
| *(in $M)* | Pre-Tax Expense(1) | Contributions | Pre-Tax Expense (Benefit) (1) | Contributions |
| Qualified Pension (2) (3) (4) | $445 | $315 | $420 | $300 |
| Non-Qualified Pension | 20 | 25 | 25 | 30 |
| OPEB(3)(4) | - | 65 | (5) | 45 |
| **Total** | **$465** | **$405** | **$440** | **$375** |

(1) Pension and OPEB expenses assume a 30% and 25% capitalization rate in 2017 and 2018, respectively
(2) The Balanced Funding Strategy for the Qualified Plans provides pension funding of the greater of $250M or minimum required contributions plus amounts required to avoid benefit restrictions and at-risk status for the legacy Exelon plans. PHI qualified plan contributions were $60M in 2017 and are expected to be $50M in 2018.
(3) Expected return on pension and OPEB plan assets is 7.00% and 6.60%, respectively, for both 2017 and 2018
(4) The discount rates used to determine costs for the majority of Exelon's pension and OPEB plans were 4.04% and 3.62% for 2017 and 2018, respectively

# Pension – Funded Status and Performance

**Pension 2017 Funded Status (PBO) Comparison ($B)**



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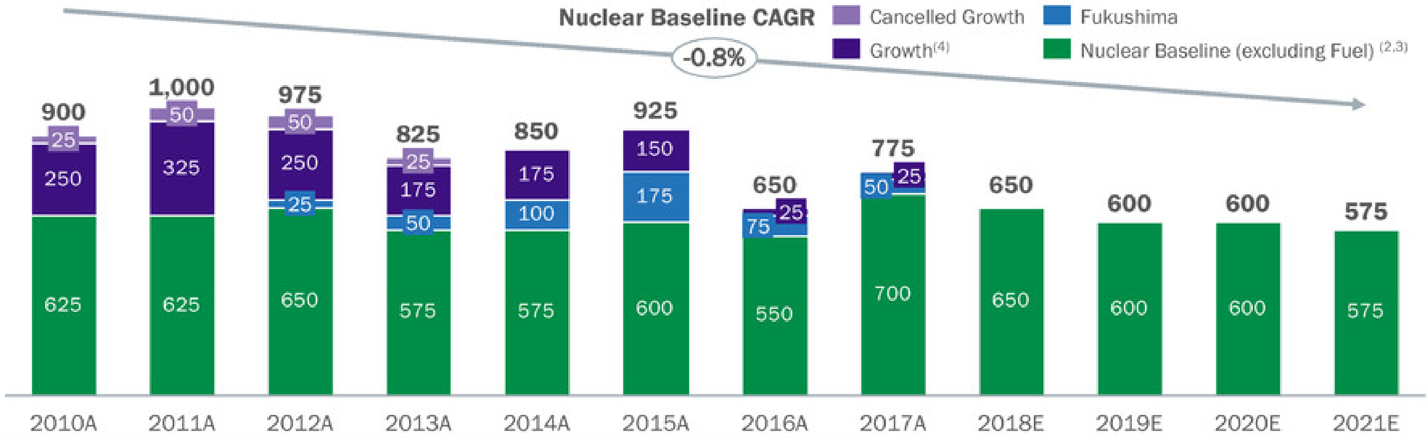
# EPS Sensitivities

| | | 2018 | 2019 | 2020 |
|---|---|---|---|---|
| ExGen EPS Impact* (1) | Henry Hub Natural Gas | | | |
| | + $1/MMBtu | $0.15 | $0.32 | $0.50 |
| | - $1/MMBtu | ($0.15) | ($0.31) | ($0.47) |
| | NiHub ATC Energy Price | | | |
| | + $5/MWh | $0.06 | $0.16 | $0.26 |
| | - $5/MWh | ($0.05) | ($0.16) | ($0.26) |
| | PJM-W ATC Energy Price | | | |
| | + $5/MWh | $0.02 | $0.08 | $0.13 |
| | - $5/MWh | ($0.01) | ($0.07) | ($0.12) |
| Interest Rate Sensitivity to +50 BP | ComEd ROE | $0.03 | $0.03 | $0.04 |
| | Pension Expense | - | $0.03 | $0.03 |
| | Cost of Debt | ($0.00) | ($0.00) | ($0.01) |
| | Share count (millions) | 969 | 972 | 975 |
| | Exelon Consolidated Effective Tax Rate | 18% | 19% | 20% |

(1) Based on December 31, 2017, market conditions and hedged position. Gas price sensitivities are based on an assumed gas-power relationship derived from an internal model that is updated periodically. Power price sensitivities are derived by adjusting the power price assumption while keeping all other price inputs constant. Due to correlation of the various assumptions, the EPS impact calculated by aggregating individual sensitivities may not be equal to the EPS impact calculated when correlations between the various assumptions are also considered.

# Historical Nuclear Capital Investment

## Nuclear Non-Fuel Capital Expenditures(1) ($M)




## Nuclear Capacity Factor(5)


Significant historical investments have mitigated asset management issues and prepared sites for license extensions already received, reducing future capital needs. In addition, internal cost initiatives have found more cost efficient solutions to large CapEx spend, such as leveraging reverse engineering replacements rather than large system wide modifications, resulting in baseline CAGR of -0.8%, even with net addition of 2 sites.

(1) Reflects accrual capital expenditures with CENG at 50% ownership. Assumes Oyster Creek and TMI retirements in October 2018 and September 2019, respectively. All numbers rounded to $25M.
(2) Baseline includes ownership share of Salem all years. CENG is included at ownership share starting in 2014 (full year)
(3) FitzPatrick included starting in 2017 (9 months only)
(4) Growth represents capital that increases the capacity of the units (e.g., turbine upgrades, power uprates), and capital that extends the license of a site (e.g., License Renewals)
(5) Includes CENG beginning in April 2014 and FitzPatrick beginning in April of 2017, excludes Salem and Fort Calhoun
(6) 2017 industry average excluding Exelon was not available at time of publication



Exelon.

# 2017 Exelon Recognition and Partnerships

## Sustainability

**Dow Jones Sustainability Index**
Exelon named to Dow Jones Sustainability Index for 12th consecutive year

**Newsweek Magazine's Green Rankings**
Newsweek Magazine's Green Rankings recognized our leadership in sustainability, where we ranked third among utilities, No. 12 in the U.S. 500 and 24th among the Global 500

**Carbon Reduction**
A recent U.S. Environmental Protection Agency report noted Exelon's generation fleet had the lowest rate of emissions among the 20 largest public or privately held energy producers. Fortune also recognized Exelon as the second-lowest carbon emitter of all Fortune 100 companies

**Land for People Award**
Received the Trust for Public Land's national "Land for People Award" in recognition of Exelon's deep support of environmental stewardship, creating new parks and promoting conservation

## Corporate & Foundation Giving

**$52.1 million**
Last year, Exelon and its employees set all-time records, committing more than $52.1 million to non-profit organizations and volunteering more than 210,000 hours

**Civic 50**
Exelon was named for the first time to the Civic 50, recognizing the most community-minded companies by Points of Light, the world's largest organization dedicated to volunteer service

## Corporate Recognition

**2017 Laurie D. Zelon Pro Bono Award**
For exemplary pro bono service and leadership

**Kids in Need of Defense Innovation Award**
Exelon's legal department and the Baltimore chapter of Organization of Latinos at Exelon (OLE) for their work with unaccompanied minors from Central America

## Diversity & Inclusion

**HeforShe**
Exelon joined U.N. Women's HeForShe campaign, which is focused on gender equality. Pledge includes a $3 million commitment to develop new STEM programs for girls and young women and improving the retention of women at Exelon by 2020

**Billion Dollar Roundtable**
Exelon became the first energy company to join the Billion Dollar Roundtable, an organization that promotes supplier diversity for corporations achieving $1 billion or more in annual direct spending with minority and women-owned businesses

**CEO Action for Diversity & Inclusion**
Exelon joined 150 leading companies for the CEO Action for Diversity & Inclusion™ , the largest CEO-driven commitment aimed at taking action to cultivate a workplace where diverse perspectives and experiences are welcomed and respected

## Workforce

**DiversityInc Top 50**
DiversityInc. named Exelon as one of the Top 50 companies for excellence in diversity.

**Indeed.com "50 Best Places to Work"**
Indeed.com ranked Exelon No. 18 on its "50 Best Places to Work."

**Human Rights Campaign "Best Places to Work"** For the third consecutive year, HRC's Corporate Equality Index gave Exelon a perfect rating on its best places to work for LGBTQ

**2017 U.S. Veterans Magazine's "Best of the Best"**
Most veteran-friendly companies

**Historically Black Engineering Schools**
Top Supporter recognition for five consecutive years

# Exelon Generation Disclosures

**December 31, 2017**

# Portfolio Management Strategy

**Strategic Policy Alignment**

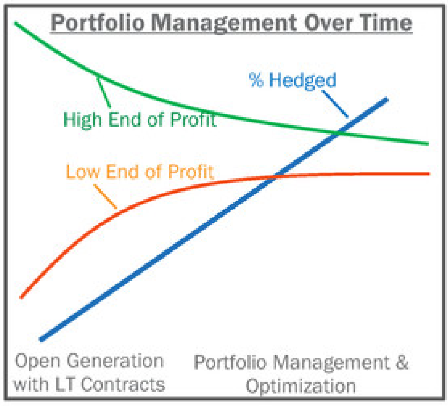
- Aligns hedging program with financial policies and financial outlook
  - Establish minimum hedge targets to meet financial objectives of the company (dividend, credit rating)
  - Hedge enough commodity risk to meet future cash requirements under a stress scenario

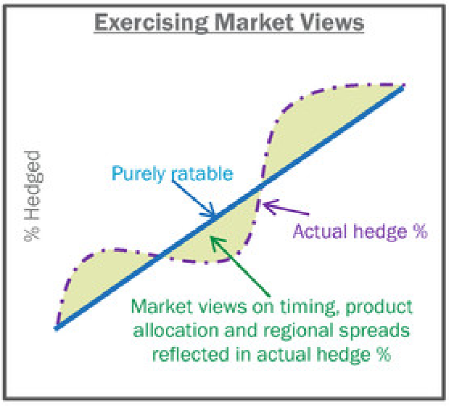
**Three-Year Ratable Hedging**

- Ensure stability in near-term cash flows and earnings
  - Disciplined approach to hedging
  - Tenor aligns with customer preferences and market liquidity
  - Multiple channels to market that allow us to maximize margins
  - Large open position in outer years to benefit from price upside

**Bull / Bear Program**

- Ability to exercise fundamental market views to create value within the ratable framework
  - Modified timing of hedges versus purely ratable
  - Cross-commodity hedging (heat rate positions, options, etc.)
  - Delivery locations, regional and zonal spread relationships


**Protect Balance Sheet** | **Ensure Earnings Stability** | **Create Value**



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# Components of Gross Margin Categories

## Gross margin linked to power production and sales

### Open Gross Margin
- Generation Gross Margin at current market prices, including ancillary revenues, nuclear fuel amortization and fossils fuels expense
- Power Purchase Agreement (PPA) Costs and Revenues
- Provided at a consolidated level for all regions (includes hedged gross margin for South, West and Canada[1])

### Capacity and ZEC Revenues
- Expected capacity revenues for generation of electricity
- Expected revenues from Zero Emissions Credits (ZEC)

### MtM of Hedges[2]
- Mark-to-Market (MtM) of power, capacity and ancillary hedges, including cross commodity, retail and wholesale load transactions
- Provided directly at a consolidated level for five major regions. Provided indirectly for each of the five major regions via Effective Realized Energy Price (EREP), reference price, hedge %, expected generation.

### "Power" New Business
- Retail, Wholesale planned electric sales
- Portfolio Management new business
- Mid marketing new business

Margins move from new business to MtM of hedges over the course of the year as sales are executed[5]

## Gross margin from other business activities

### "Non Power" Executed
- Retail, Wholesale executed gas sales
- Energy Efficiency[4]
- BGE Home[4]
- Distributed Solar

### "Non Power" New Business
- Retail, Wholesale planned gas sales
- Energy Efficiency[4]
- BGE Home[4]
- Distributed Solar
- Portfolio Management / origination fuels new business
- Proprietary trading[3]

Margins move from "Non power new business" to "Non power executed" over the course of the year

(1) Hedged gross margins for South, West & Canada region will be included with Open Gross Margin; no expected generation, hedge %, EREP or reference prices provided for this region
(2) MtM of hedges provided directly for the five larger regions; MtM of hedges is not provided directly at the regional level but can be easily estimated using EREP, reference price and hedged MWh
(3) Proprietary trading gross margins will generally remain within "Non Power" New Business category and only move to "Non Power" Executed category upon management discretion
(4) Gross margin for these businesses are net of direct "cost of sales"
(5) Margins for South, West & Canada regions and optimization of fuel and PPA activities captured in Open Gross Margin

# ExGen Disclosures

| Gross Margin Category ($M)[1] | 2018 | 2019 | 2020 |
|---|---|---|---|
| Open Gross Margin (including South, West & Canada hedged GM)[2,5] | $4,350 | $3,900 | $3,750 |
| Capacity and ZEC Revenues[2,5,6] | $2,300 | $2,000 | $1,850 |
| Mark-to-Market of Hedges[2,3] | $350 | $400 | $250 |
| Power New Business / To Go | $550 | $750 | $900 |
| Non-Power Margins Executed | $200 | $100 | $100 |
| Non-Power New Business / To Go | $300 | $400 | $400 |
| **Total Gross Margin*[4,5]** | **$8,050** | **$7,550** | **$7,250** |

| Reference Prices[4] | 2018 | 2019 | 2020 |
|---|---|---|---|
| Henry Hub Natural Gas ($/MMBtu) | $2.83 | $2.81 | $2.82 |
| Midwest: NiHub ATC prices ($/MWh) | $27.93 | $26.94 | $26.91 |
| Mid-Atlantic: PJM-W ATC prices ($/MWh) | $33.51 | $30.72 | $30.12 |
| ERCOT-N ATC Spark Spread ($/MWh)<br>*HSC Gas, 7.2HR, $2.50 VOM* | $6.21 | $5.85 | $5.30 |
| New York: NY Zone A ($/MWh) | $29.14 | $26.15 | $25.48 |
| New England: Mass Hub ATC Spark Spread ($/MWh)<br>*ALQN Gas, 7.5HR, $0.50 VOM* | $5.84 | $5.10 | $5.63 |

(1) Gross margin categories rounded to nearest $50M
(2) Excludes EDF's equity ownership share of the CENG Joint Venture
(3) Mark-to-Market of Hedges assumes mid-point of hedge percentages
(4) Based on December 31, 2017, market conditions
(5) Reflects Oyster Creek and TMI retirements in October 2018 and September 2019, respectively. EGTP removal impacts full year 2018, 2019, and 2020 and is adjusted for removal of Handley Generating Station.
(6) 2018 includes $150M of IL ZEC revenues associated with 2017 production

# ExGen Disclosures

| Generation and Hedges | 2018 | 2019 | 2020 |
|---|---|---|---|
| Exp. Gen (GWh)(1) | **201,500** | **201,200** | **191,400** |
| Midwest | 95,900 | 97,200 | 96,700 |
| Mid-Atlantic(2,6) | 59,600 | 54,200 | 48,600 |
| ERCOT | 24,200 | 24,500 | 22,000 |
| New York(2,6) | 15,400 | 16,600 | 15,500 |
| New England | 6,400 | 8,700 | 8,600 |
| | | | |
| % of Expected Generation Hedged(3) | **85%-88%** | **55%-58%** | **26%-29%** |
| Midwest | 82%-85% | 51%-54% | 22%-25% |
| Mid-Atlantic(2,6) | 88%-91% | 65%-68% | 33%-36% |
| ERCOT | 81%-84% | 54%-57% | 26%-29% |
| New York(2,6) | 94%-97% | 57%-60% | 26%-29% |
| New England | 92%-95% | 35%-38% | 38%-41% |
| | | | |
| Effective Realized Energy Price ($/MWh)(4) | | | |
| Midwest | $29.50 | $29.50 | $31.00 |
| Mid-Atlantic(2,6) | $36.00 | $37.50 | $38.50 |
| ERCOT(5) | $4.50 | $3.50 | $2.00 |
| New York(2,6) | $36.00 | $32.00 | $30.00 |
| New England(5) | $1.00 | $5.00 | $9.00 |

(1) Expected generation is the volume of energy that best represents our commodity position in energy markets from owned or contracted for capacity based upon a simulated dispatch model that makes assumptions regarding future market conditions, which are calibrated to market quotes for power, fuel, load following products, and options. Expected generation assumes 14 refueling outages in 2018, 11 in 2019, and 14 in 2020 at Exelon-operated nuclear plants and Salem. Expected generation assumes capacity factors of 93.4%, 94.9% and 93.9% in 2018, 2019, and 2020, respectively at Exelon-operated nuclear plants, at ownership. These estimates of expected generation in 2019 and 2020 do not represent guidance or a forecast of future results as Exelon has not completed its planning or optimization processes for those years.

(2) Excludes EDF's equity ownership share of CENG Joint Venture

(3) Percent of expected generation hedged is the amount of equivalent sales divided by expected generation. Includes all hedging products, such as wholesale and retail sales of power, options and swaps.

(4) Effective realized energy price is representative of an all-in hedged price, on a per MWh basis, at which expected generation has been hedged. It is developed by considering the energy revenues and costs associated with our hedges and by considering the fossil fuel that has been purchased to lock in margin. It excludes uranium costs, RPM capacity and ZEC revenues, but includes the mark-to-market value of capacity contracted at prices other than RPM clearing prices including our load obligations. It can be compared with the reference prices used to calculate open gross margin in order to determine the mark-to-market value of Exelon Generation's energy hedges.

(5) Spark spreads shown for ERCOT and New England

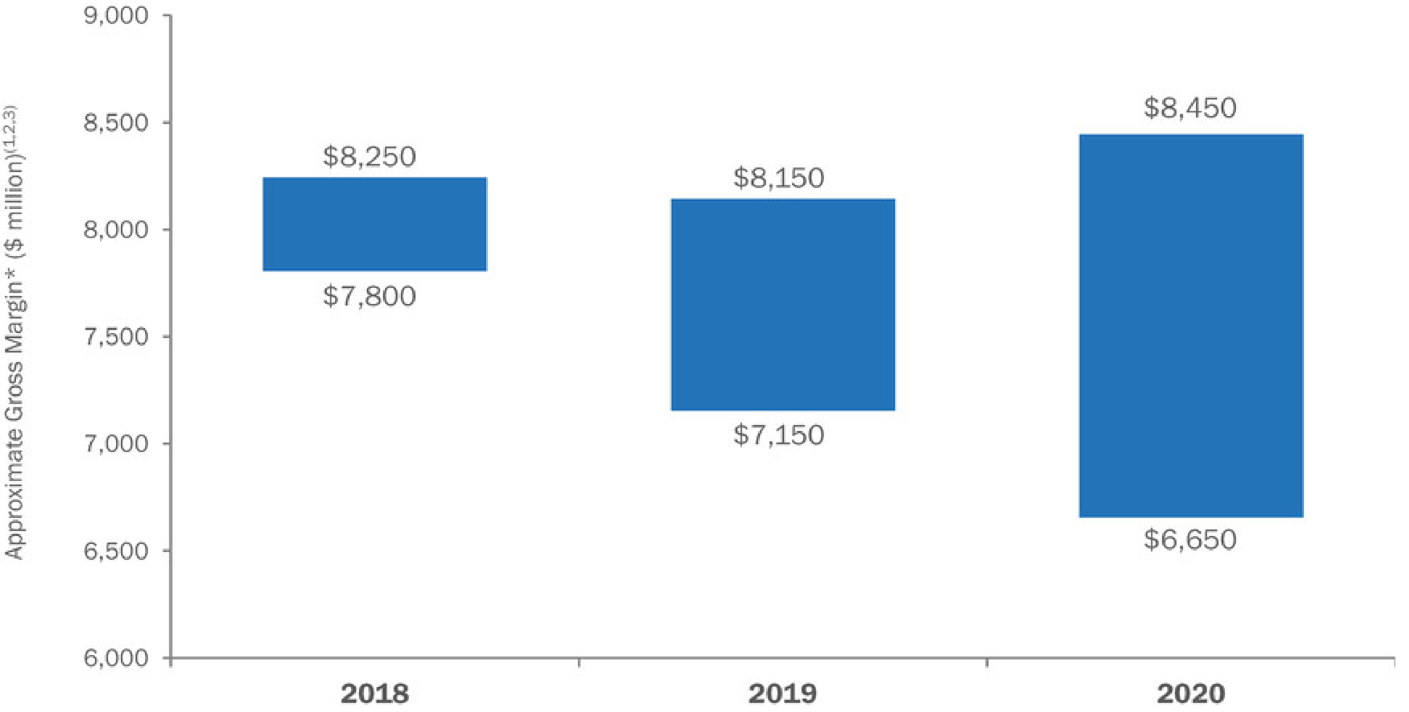
(6) Reflects Oyster Creek and TMI retirements in October 2018 and September 2019, respectively. EGTP removal impacts full year 2018, 2019, and 2020 and is adjusted for retaining Handley Generating Station.

# ExGen Hedged Gross Margin* Sensitivities

| Gross Margin* Sensitivities (with existing hedges)[1] | 2018 | 2019 | 2020 |
|---|---|---|---|
| Henry Hub Natural Gas ($/MMBtu) | | | |
| + $1/MMBtu | $190 | $410 | $645 |
| - $1/MMBtu | $(190) | $(400) | $(615) |
| | | | |
| NiHub ATC Energy Price | | | |
| + $5/MWh | $75 | $210 | $345 |
| - $5/MWh | $(70) | $(210) | $(340) |
| | | | |
| PJM-W ATC Energy Price | | | |
| + $5/MWh | $30 | $100 | $165 |
| - $5/MWh | $(15) | $(90) | $(160) |
| | | | |
| NYPP Zone A ATC Energy Price | | | |
| + $5/MWh | - | $30 | $55 |
| - $5/MWh | - | $(35) | $(55) |
| | | | |
| Nuclear Capacity Factor | | | |
| +/- 1% | +/- $40 | +/- $35 | +/- $35 |

(1) Based on December 31, 2017, market conditions and hedged position; gas price sensitivities are based on an assumed gas-power relationship derived from an internal model that is updated periodically; power price sensitivities are derived by adjusting the power price assumption while keeping all other price inputs constant; due to correlation of the various assumptions, the hedged gross margin impact calculated by aggregating individual sensitivities may not be equal to the hedged gross margin impact calculated when correlations between the various assumptions are also considered; sensitivities based on commodity exposure which includes open generation and all committed transactions; excludes EDF's equity share of CENG Joint Venture

# ExGen Hedged Gross Margin* Upside/Risk




(1) Represents an approximate range of expected gross margin, taking into account hedges in place, between the 5th and 95th percent confidence levels assuming all unhedged supply is sold into the spot market; approximate gross margin ranges are based upon an internal simulation model and are subject to change based upon market inputs, future transactions and potential modeling changes; these ranges of approximate gross margin in 2019 and 2020 do not represent earnings guidance or a forecast of future results as Exelon has not completed its planning or optimization processes for those years; the price distributions that generate this range are calibrated to market quotes for power, fuel, load following products, and options as of December 31, 2017

(2) Gross Margin Upside/Risk based on commodity exposure which includes open generation and all committed transactions

(3) Reflects Oyster Creek and TMI retirements in October 2018 and September 2019, respectively. EGTP removal impacts full year 2018, 2019, and 2020 and is adjusted for retaining Handley Generating Station.

# Illustrative Example of Modeling Exelon Generation 2019 Gross Margin*

| Row | Item | Midwest | Mid-Atlantic | ERCOT | New York | New England | South, West & Canada |
|---|---|---|---|---|---|---|---|
| (A) | Start with fleet-wide open gross margin | $3.9 billion | | | | | |
| (B) | Capacity and ZEC | $2 billion | | | | | |
| | | | | | | | |
| (C) | Expected Generation (TWh) | 97.2 | 54.2 | 24.5 | 16.6 | 8.7 | |
| (D) | Hedge % (assuming mid-point of range) | 52.5% | 66.5% | 55.5% | 58.5% | 36.5% | |
| (E=C*D) | Hedged Volume (TWh) | 51.0 | 36.0 | 13.6 | 9.7 | 3.2 | |
| | | | | | | | |
| (F) | Effective Realized Energy Price ($/MWh) | $29.50 | $37.50 | $3.50 | $32.00 | $5.00 | |
| (G) | Reference Price ($/MWh) | $26.94 | $30.72 | $5.85 | $26.15 | $5.10 | |
| (H=F-G) | Difference ($/MWh) | $2.56 | $6.78 | ($2.35) | $5.85 | ($0.10) | |
| | | | | | | | |
| (I=E*H) | Mark-to-Market value of hedges ($ million)(1) | $130 | $245 | ($30) | $55 | $0 | |
| | | | | | | | |
| (J=A+B+I) | Hedged Gross Margin ($ million) | $6,300 | | | | | |
| (K) | Power New Business / To Go ($ million) | $750 | | | | | |
| (L) | Non-Power Margins Executed ($ million) | $100 | | | | | |
| (M) | Non-Power New Business / To Go ($ million) | $400 | | | | | |
| (N=J+K+L+M) | Total Gross Margin* | $7,550 million | | | | | |

(1) Mark-to-market rounded to the nearest $5 million

# Additional ExGen Modeling Data

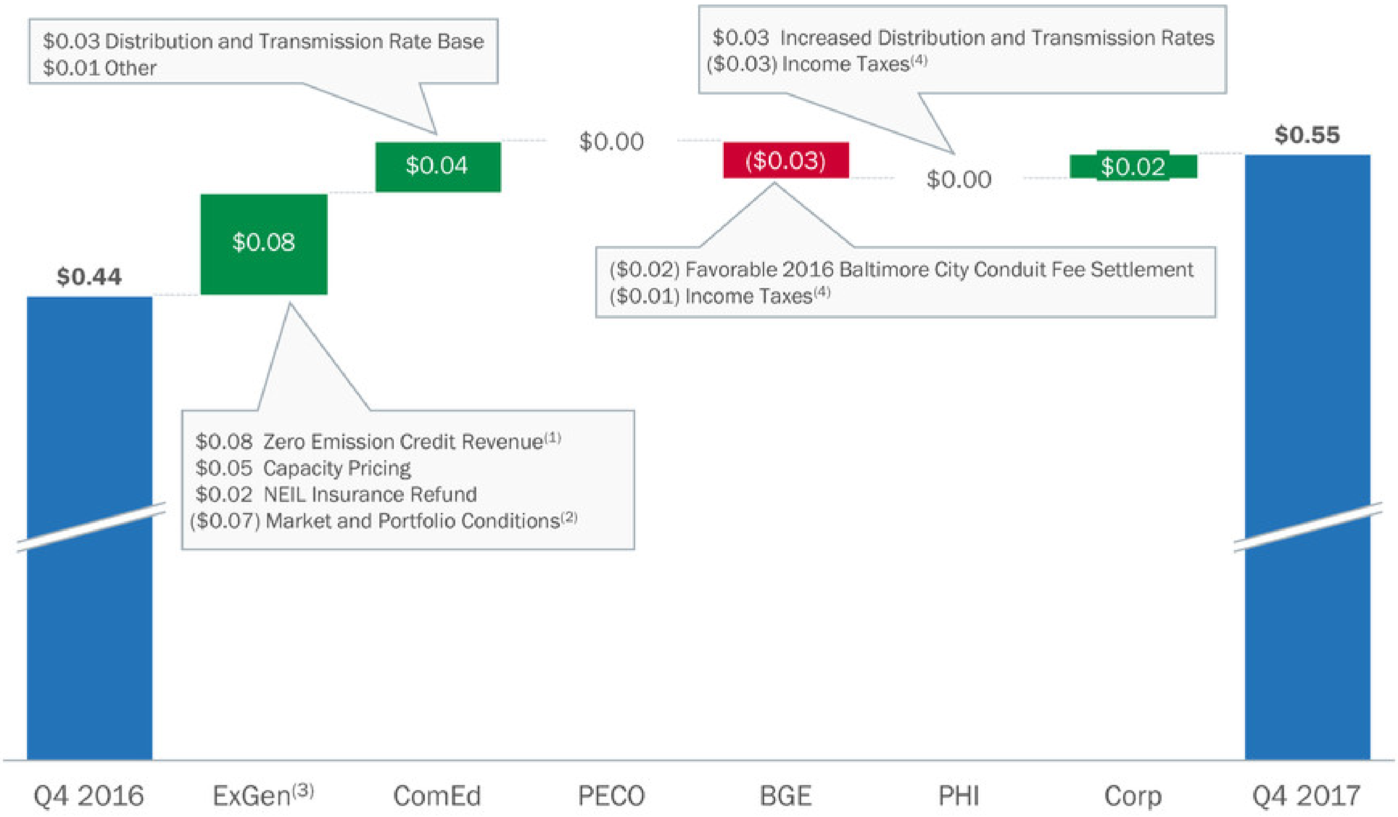
| Total Gross Margin Reconciliation (in $M)(1) | 2018 | 2019 | 2020 |
|---|---|---|---|
| **Revenue Net of Purchased Power and Fuel Expense*(2,3)** | **$8,500** | **$8,025** | **$7,700** |
| Non-cash amortization of intangible assets, net, related to commodity contracts recorded at fair value at merger date | - | - | - |
| Other Revenues(4) | $(200) | $(175) | $(200) |
| Direct cost of sales incurred to generate revenues for certain Constellation and Power businesses | $(250) | $(300) | $(250) |
| **Total Gross Margin* (Non-GAAP)** | **$8,050** | **$7,550** | **$7,250** |

| Key ExGen Modeling Inputs (in $M)(1,5) | 2018 |
|---|---|
| Other(6) | $150 |
| Adjusted O&M* | $(4,550) |
| Taxes Other Than Income (TOTI)(7) | $(375) |
| Depreciation & Amortization(8) | $(1,125) |
| Interest Expense | $(400) |
| **Effective Tax Rate** | **22.0%** |

(1) All amounts rounded to the nearest $25M
(2) ExGen does not forecast the GAAP components of RNF separately, as to do so would be unduly burdensome. RNF also includes the RNF of our proportionate ownership share of CENG.
(3) Excludes the Mark-to-Market impact of economic hedging activities due to the volatility and unpredictability of the future changes to power prices
(4) Other Revenues reflects primarily revenues from Exelon Nuclear Partners, JExel Nuclear JV, variable interest entities, funds collected through revenues for decommissioning the former PECO nuclear plants through regulated rates, and gross receipts tax revenues
(5) ExGen amounts for O&M, TOTI, Depreciation & Amortization; excludes EDF's equity ownership share of the CENG Joint Venture
(6) Other reflects Other Revenues excluding gross receipts tax revenues, and includes nuclear decommissioning trust fund earnings from unregulated sites, and the minority interest in ExGen Renewables JV and Bloom
(7) TOTI excludes gross receipts tax of $150M
(8) 2019 Depreciation & Amortization is flat to 2018 and 2020 is favorable $50M due to nuclear plant retirements

# 2017A Earnings Waterfalls

# QTD Adjusted Operating Earnings* Waterfall




Note: Amounts may not sum due to rounding
(1) Reflects the impact of the New York ZECs
(2) Includes the unfavorable impact of lower realized energy prices and the conclusion of the Ginna Reliability Support Services Agreement
(3) Reflects CENG ownership at 100%
(4) Reflects a 2017 impairment of certain transmission-related income tax regulatory assets



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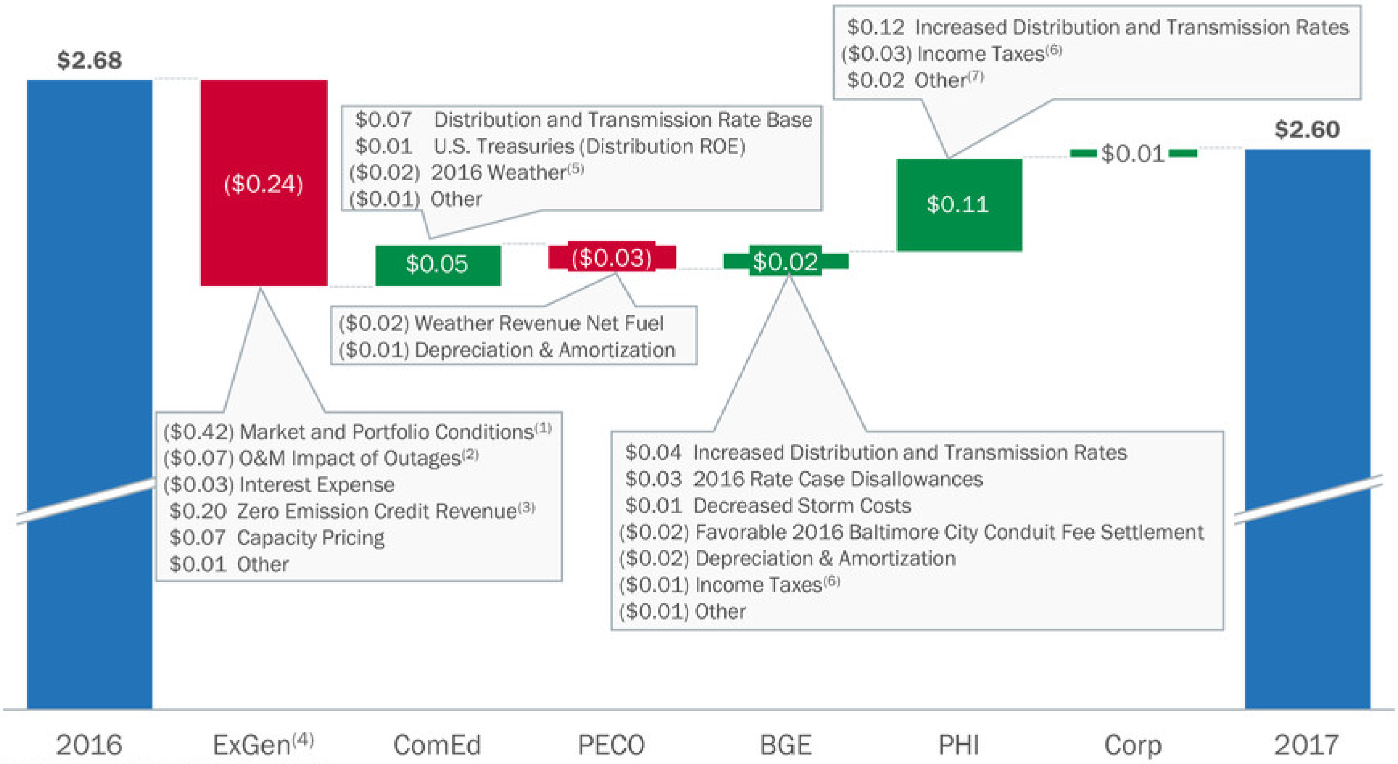
# FY Adjusted Operating Earnings* Waterfall




Note: Amounts may not sum due to rounding

(1) Includes the unfavorable impact of lower realized energy prices, the impacts of lower load volumes delivered due to mild weather in the third quarter 2017, the conclusion of the Ginna Reliability Support Services Agreement and the impact of declining natural gas prices on Generation's natural gas portfolio
(2) Driven by higher planned nuclear outage days in 2017; excludes Salem
(3) Reflects the impact of the New York ZECs
(4) Reflects CENG ownership at 100%
(5) Beginning in 2017 for ComEd, customer rates are adjusted to eliminate the impacts of weather and customer usage on distribution volumes.
(6) Reflects a 2016 favorable adjustment at BGE, and 2017 impairments at BGE and PHI, of certain transmission-related income tax regulatory assets
(7) PHI reflects full year of earnings in 2017 versus earnings from March 24, 2016, through December 31, 2016



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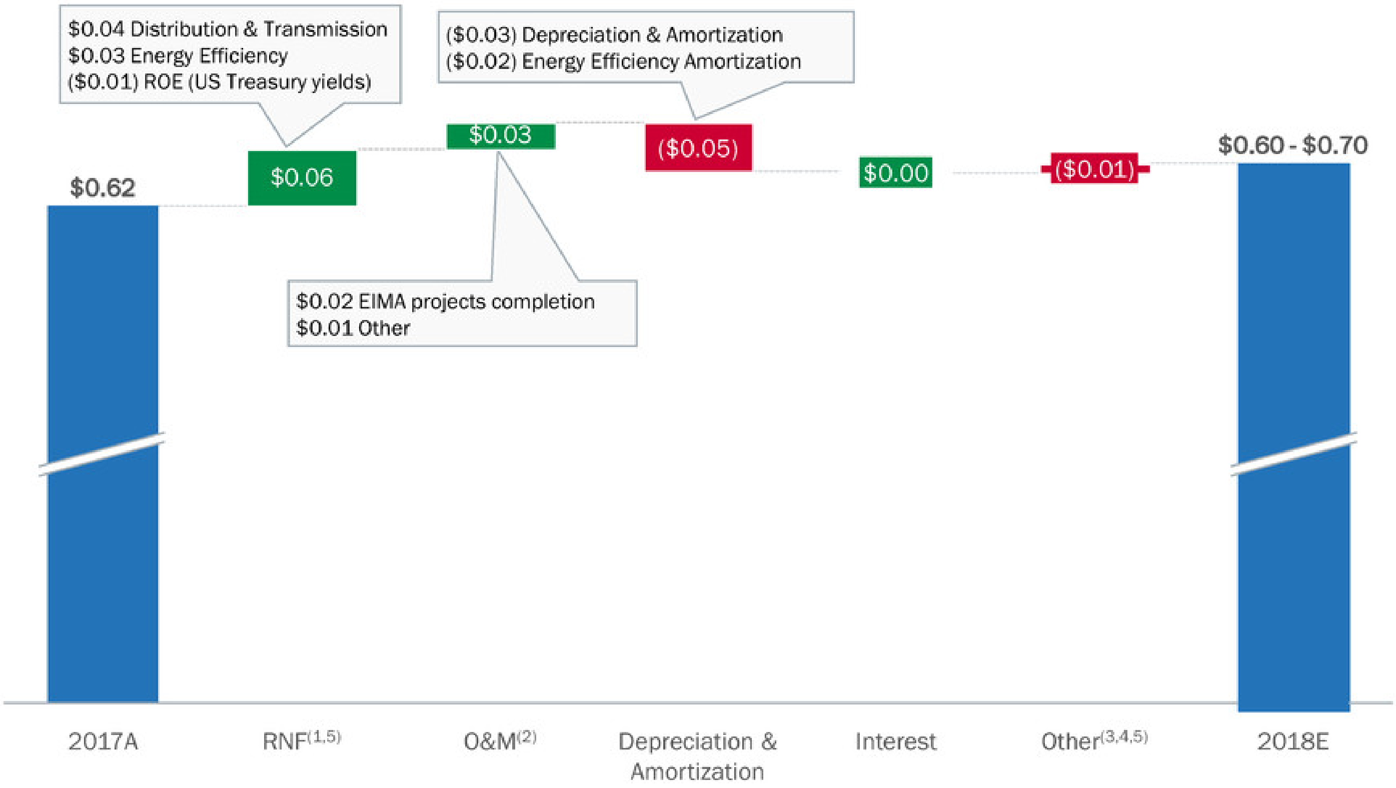
# 2018E Earnings Waterfalls

# ComEd Adjusted Operating EPS* Bridge 2017 to 2018




Note: Drivers add up to mid-point of 2018 adjusted operating EPS range

(1) Revenue net fuel (RNF) is defined as operating revenues less purchased power and fuel expense

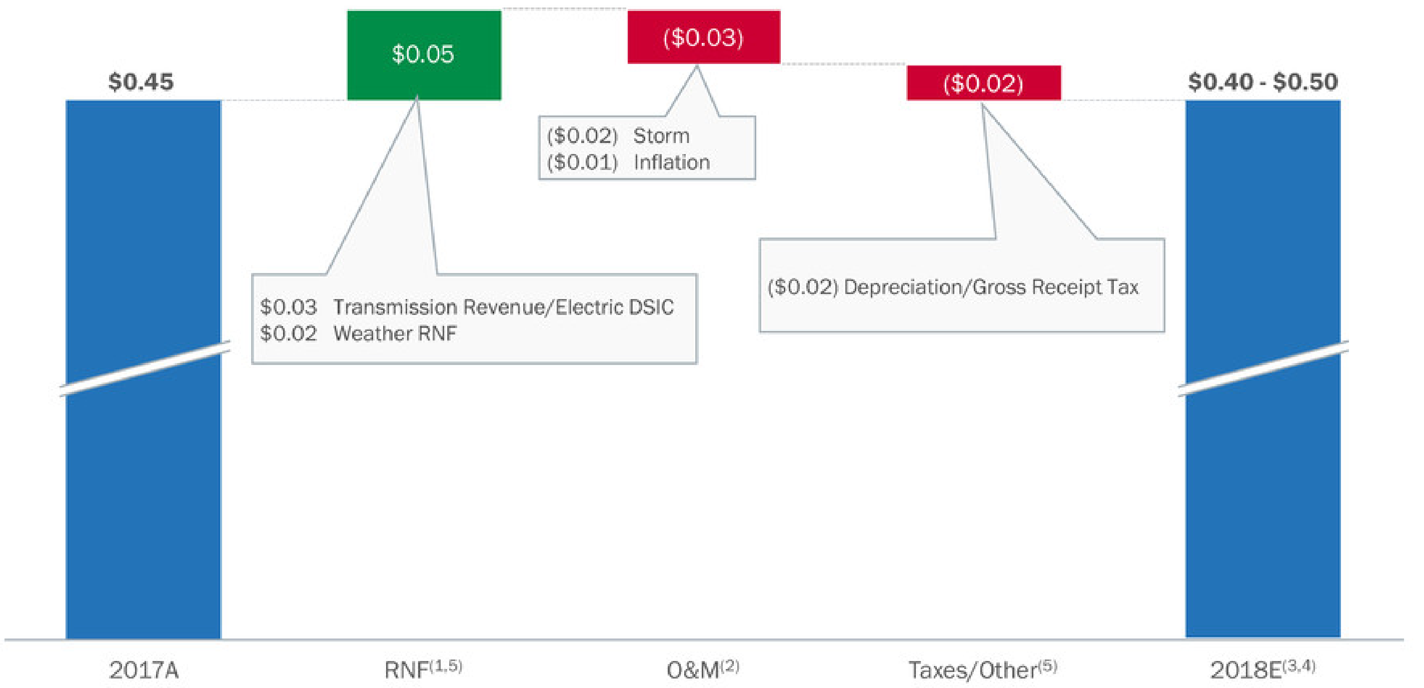
(2) O&M excludes regulatory items that are P&L neutral

(3) Shares Outstanding (diluted) are 949M in 2017 and 969M in 2018

(4) Guidance assumes an effective tax rate for 2018 of 20.7%

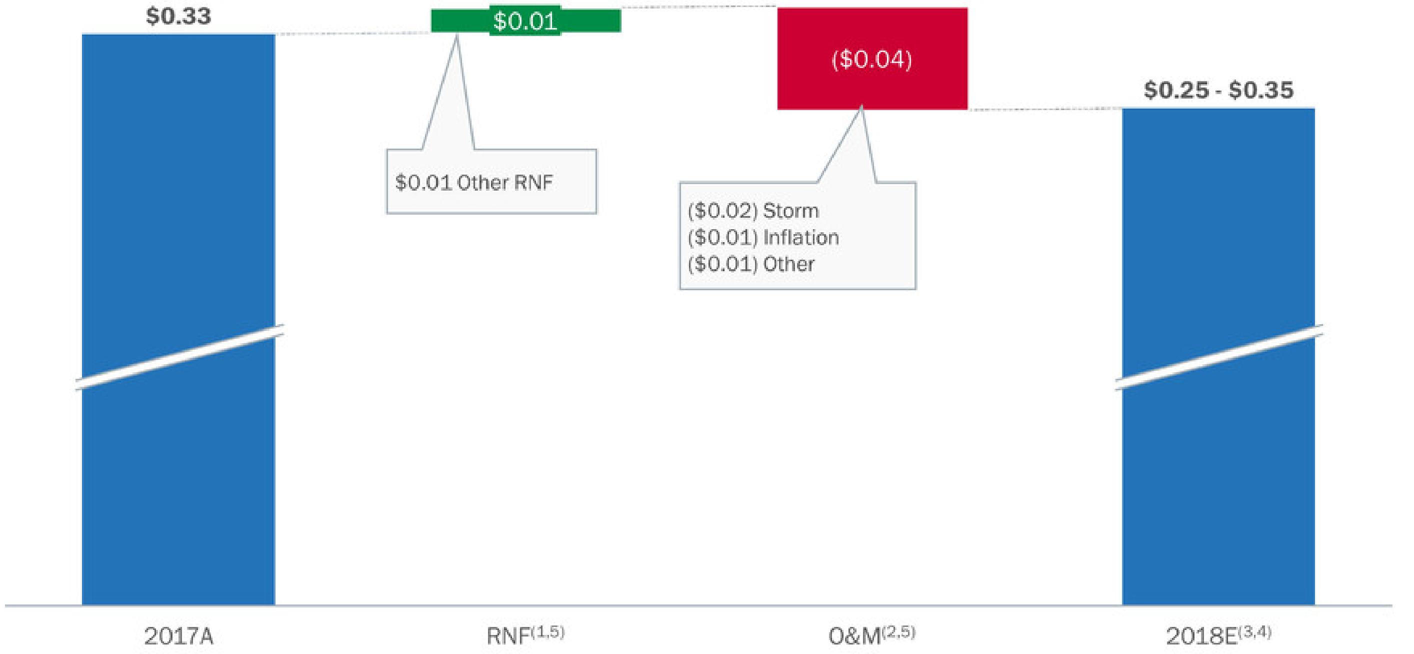
(5) Excludes the reductions to revenue related to tax reform that are directly offset by lower income tax expense

# PECO Adjusted Operating EPS* Bridge 2017 to 2018



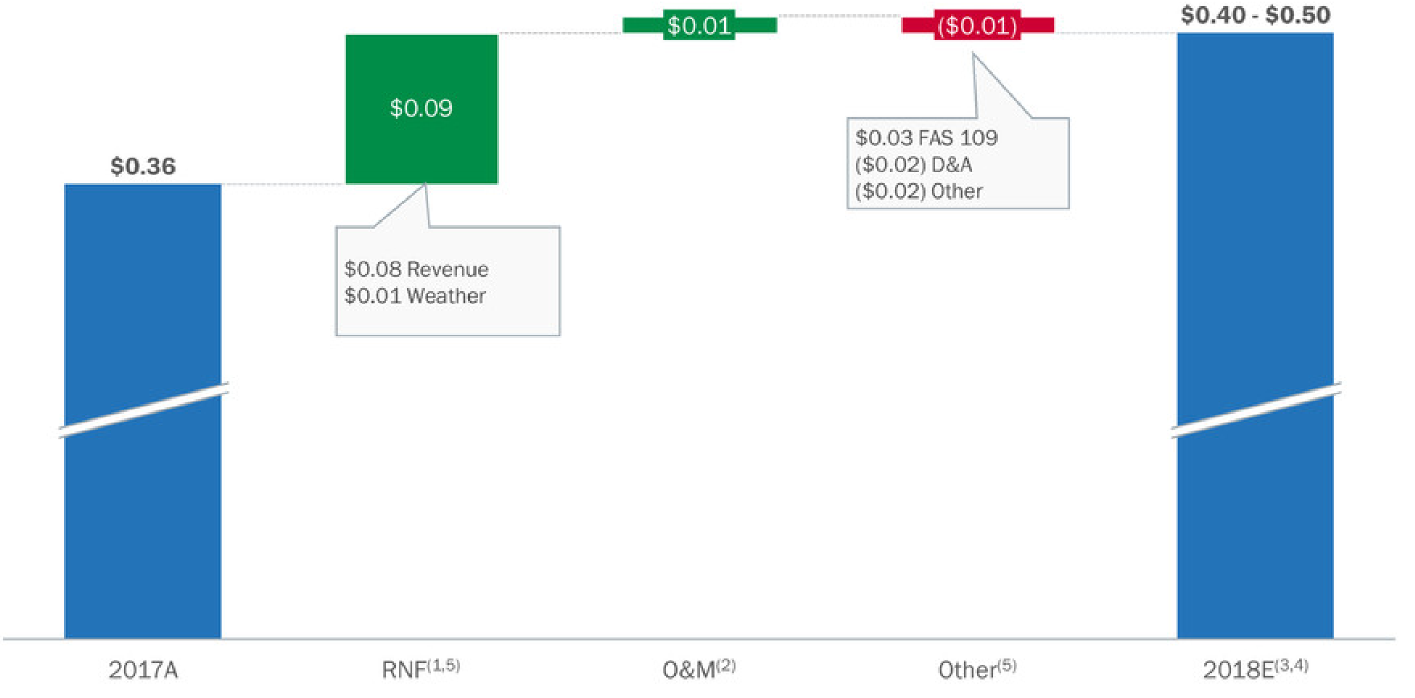

Note: Drivers add up to mid-point of 2018 adjusted operating EPS range
(1) Revenue net fuel (RNF) is defined as operating revenues less purchased power and fuel expense
(2) O&M excludes regulatory items that are P&L neutral
(3) Shares Outstanding (diluted) are 949M in 2017 and 969M in 2018
(4) Guidance assumes an effective tax rate for 2018 of 3.6%
(5) Excludes the reductions to revenue related to tax reform that are directly offset by lower income tax expense

# BGE Adjusted Operating EPS* Bridge 2017 to 2018



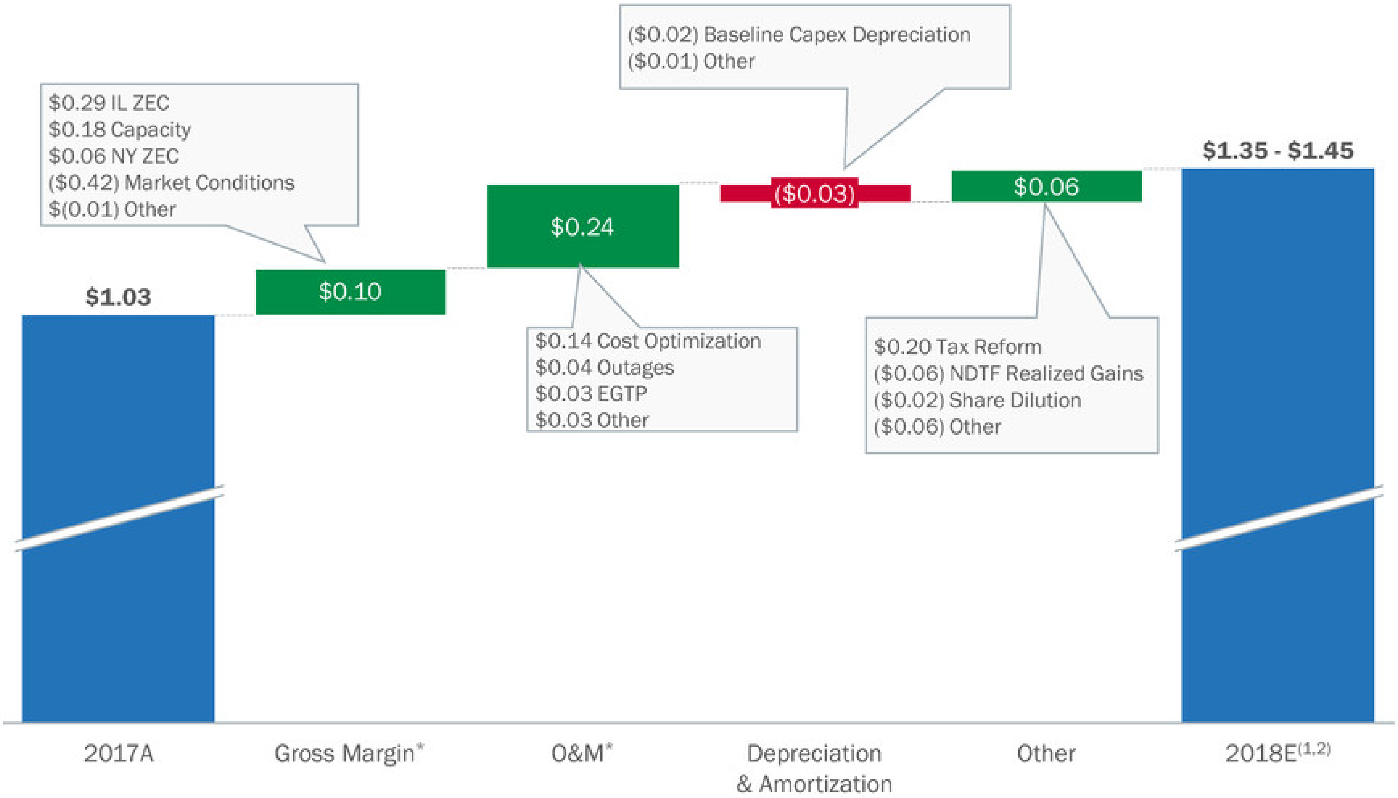

Note: Drivers add up to mid-point of 2018 adjusted operating EPS range
(1) Revenue net fuel (RNF) is defined as operating revenues less purchased power and fuel expense
(2) O&M excludes regulatory items that are P&L neutral
(3) Shares Outstanding (diluted) are 949M in 2017 and 969M in 2018
(4) Guidance assumes an effective tax rate for 2018 of 19.8%
(5) Excludes the reductions to revenue related to tax reform that are directly offset by lower income tax expense

# PHI Adjusted Operating EPS* Bridge 2017 to 2018




Note: Drivers add up to mid-point of 2018 adjusted operating EPS range
(1) Revenue net fuel (RNF) is defined as operating revenues less purchased power and fuel expense
(2) O&M excludes regulatory items that are P&L neutral
(3) Shares Outstanding (diluted) are 949M in 2017 and 969M in 2018
(4) Guidance assumes an effective tax rate for 2018 of 13.2%
(5) Excludes the reductions to revenue related to tax reform that are directly offset by lower income tax expense

# ExGen Adjusted Operating EPS* Bridge 2017 to 2018




Note: Drivers add up to mid-point of 2018 adjusted operating EPS range
(1) Shares Outstanding (diluted) are 949M in 2017 and 969M in 2018
(2) Guidance assumes a marginal tax rate of 25.1% for 2018

# Exelon Utilities Rate Case Filing Summaries

# Exelon Utilities' Distribution Rate Case Schedule

| | 12/17 | 1/18 | 2/18 | 3/18 | 4/18 | 5/18 | 6/18 |
|---|---|---|---|---|---|---|---|
| ComEd Electric Distribution Formula Rate | Commission Order Received Dec 6 | | | | 2018 Formula Rate Update Filing April | | |
| Delmarva – MD Electric Distribution Rates | Settlement Filed Dec 18 | | Commission Order Expected Feb 9 | | | | |
| Delmarva – DE Electric Distribution Rates | | | Intervenor Direct Testimony Feb 21 | | Rebuttal Testimony Apr 6 | Evidentiary Hearings May 15-17 | Initial Briefs June 20 Reply Briefs June 29 |
| Delmarva – DE Gas Distribution Rates | | | | Intervenor Direct Testimony Mar 13 | | Rebuttal Testimony May 8 | |
| Pepco Electric Distribution Rates - DC | Case Filed Dec 19 | | | | | | |
| Pepco Electric Distribution Rates - MD | | Case Filed Jan 2 | | | Intervenor Direct Testimony Apr 13 | Rebuttal Testimony May 11 | Evidentiary Hearings June 4-13 |

Note: Based on current schedules of Illinois Commerce Commission, Maryland Public Service Commission, and Delaware Public Service Commission and are subject to change

# Pepco MD (Electric) Distribution Rate Case Filing

| | |
|---|---|
| **Formal Case No.** | 9472 |
| **Test Year** | January 1, 2017 – December 31, 2017 |
| **Test Period** | 8 months actual and 4 months estimated |
| **Requested Common Equity Ratio** | 50.28% |
| **Requested Rate of Return** | ROE: 10.10%; ROR: 7.74% |
| **Proposed Rate Base (Adjusted)** | $1.8B |
| **Requested Revenue Requirement Increase (Updated on February 5, 2018)** | $10.7M |
| **Residential Total Bill % Increase** | 1.81% |
| **Notes** | • January 2, 2018, Pepco MD filed application with Maryland Public Service Commission (MDPSC) seeking increase in electric distribution base rates<br>• On February 5, 2018, Pepco filed with the MDPSC an update to its current distribution rate case to reflect approximately $30.7 million in annual tax savings resulting from the enactment of the TCJA<br>• Forward looking reliability plant additions through June 2018 ($7.8M of Revenue Requirement based on 10.10% ROE) included in revenue requirement request<br>• Request for Rate Phase-In of $14.9M on $126M of plant (to cover reliability capital May 2018 to April 2019) and commitment to not file new case before January 1, 2020<br>Procedural Schedule:<br>• Intervenor Direct Testimony Due: April 13, 2018<br>• Rebuttal Testimony Due: May 11, 2018<br>• Evidentiary Hearings: June 4-13, 2018<br>• Initial Briefs due: June 28, 2018<br>• Final Briefs due: July 13, 2018<br>• Commission Order Expected: July 31, 2018 |

# Pepco DC (Electric) Distribution Rate Case Filing

| | |
|---|---|
| **Formal Case No.** | 1150 |
| **Test Year** | January 1, 2017 – December 31, 2017 |
| **Test Period** | 8 months actual and 4 months estimated |
| **Requested Common Equity Ratio** | 50.28% |
| **Requested Rate of Return** | ROE: 10.10%; ROR: 7.74% |
| **Proposed Rate Base (Adjusted)** | $1.9B |
| **Requested Revenue Requirement Increase** | $66.2M |
| **Residential Total Bill % Increase** | 9.24% |
| **Notes** | • December 19, 2017, Pepco DC filed application with Public Service Commission of the District of Columbia (PSCDC) seeking increase in electric distribution base rates<br>• Size of ask is driven by continued investments in electric distribution system to maintain and increase reliability and customer service<br>• Forward looking reliability plant additions through December 2018 ($7.9M of Revenue Requirement based on 10.10% ROE) included in revenue requirement request<br>Procedural Schedule:<br>• Commission Order Expected: December 2018 |

# Delmarva DE (Gas) Distribution Rate Case Filing

| | |
|---|---|
| **Docket No.** | 17-0978 |
| **Test Year** | January 1, 2017 – December 31, 2017 |
| **Test Period** | 6 months actual and 6 months estimated |
| **Requested Common Equity Ratio** | 50.52% |
| **Requested Rate of Return** | ROE: 10.10%; ROR: 6.98% |
| **Proposed Rate Base (Adjusted)** | $345M |
| **Requested Revenue Requirement Increase (Updated on November 7, 2017)** | $11.0M(1) |
| **Residential Total Bill % Increase** | 9.9% |
| **Notes** | • August 17, 2017, Delmarva DE filed application with Delaware Public Service Commission (DPSC) seeking increase in gas distribution base rates<br>• Size of ask is driven by continued investments in gas distribution system to maintain and increase reliability and customer service<br>• Forward looking reliability plant additions through August 2018 ($1.0M of Revenue Requirement based on 10.10% ROE) included in revenue requirement request<br>Procedural Schedule<br>• Intervenor Direct Testimony Due: March 13, 2018<br>• Rebuttal Testimony Due: May 8, 2018<br>• Evidentiary Hearings: July 17-19, 2018<br>• Initial Briefs Due: August 23, 2018<br>• Reply Briefs Due: September 6, 2018<br>• Commission Order Expected: Q4 2018 |

(1) As permitted by Delaware law, Delmarva Power implemented interim rate increases of $2.5 million on November 1, 2017, and will implement full allowable rates on March 17, 2018, subject to refund



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# Delmarva DE (Electric) Distribution Rate Case Filing

| | |
|---|---|
| **Docket No.** | 17-0977 |
| **Test Year** | January 1, 2017 – December 31, 2017 |
| **Test Period** | 6 months actual and 6 months estimated |
| **Requested Common Equity Ratio** | 50.52% |
| **Requested Rate of Return** | ROE: 10.10%; ROR: 6.98% |
| **Proposed Rate Base (Adjusted)** | $805M |
| **Requested Revenue Requirement Increase** | $31.2M(1) |
| **Residential Total Bill % Increase (Updated on October 18, 2017)** | 4.7% |
| **Notes** | • August 17, 2017, Delmarva DE filed application with DPSC seeking increase in electric distribution base rates<br>• Size of ask is driven by continued investments in electric distribution system to maintain and increase reliability and customer service<br>• Forward looking reliability plant additions through August 2018 ($3.1M of Revenue Requirement based on 10.10% ROE) included in revenue requirement request<br>Procedural Schedule:<br>• Intervenor Direct Testimony Due: February 21, 2018<br>• Rebuttal Testimony Due: April 6, 2018<br>• Evidentiary Hearings: May 15-17, 2018<br>• Initial Briefs Due: June 20, 2018<br>• Reply Briefs Due: June 29, 2018<br>• Commission Order Expected: Q3 2018 |

(1) As permitted by Delaware law, Delmarva Power implemented interim rate increases of $2.5 million on October 16, 2017, and will implement full allowable rates on March 17, 2018, subject to refund



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# Delmarva MD (Electric) Distribution Rate Case Filing

| Formal Case No. | 9455 | Per Filed Settlement |
|---|---|---|
| Test Year | October 1, 2016 – September 30, 2017 | |
| Test Period | 7 months actual and 5 months estimated (Updated to 12+0 on November 16, 2017) | |
| Requested Common Equity Ratio | 50.68% | |
| Requested Rate of Return | ROE: 10.10%; ROR: 7.05% | ROE: 9.50%(1) |
| Proposed Rate Base (Adjusted) | $741M | |
| Requested Revenue Requirement Increase (Updated on Nov. 16, 2017) | $19.3M | $13.4M |
| Residential Total Bill % Increase | 1.8% | 1.9% |
| Notes | • July 14, 2017, Delmarva MD filed application with Maryland Public Service Commission (MDPSC) seeking increase in electric distribution base rates<br>• Forward looking reliability and other plant additions through April 2018 ($3.1M of Revenue Requirement based on 10.10% ROE) included in revenue requirement request<br>Intervenor Positions:<br>• Office of People's Council (OPC) revenue increase of $5.0M or $7.2M based on 8.65% or 9.0% ROE, respectively<br>• Staff revenue increase of $11.1M based on 9.30% ROE<br>Procedural Schedule:<br>• Commission Order Expected: February 9, 2018 | • Settlement filed December 18, 2017, and evidentiary hearings held on January 5, 2018<br>Key Settlement Provisions:<br>• Regulatory asset/liability treatment related to costs/savings for Winter Storm Stella, AMI savings and Costs to Achieve<br>• Staff will convene a work group with DPL & OPC reps to evaluate DPL's MD reliability spend and projected reliability performance from 2017 through 2020<br>• Prior to next filing, DPL will provide Staff and OPC education and training sessions addressing how Class Cost of Service Study (CCOSS) model functions |

(1) Settlement states cost of equity solely for purposes of calculating AFUDC (Allowance for Funds Used During Construction) and regulatory asset carrying costs shall be 9.50%

# ComEd Distribution Rate Case Filing

| | |
|---|---|
| **Docket #** | 17-0196 |
| **Filing Year** | • 2016 Calendar Year Actual Costs and 2017 Projected Net Plant Additions are used to set the rates for calendar year 2018. Rates currently in effect (docket 16-0259) for calendar year 2017 were based on 2015 actual costs and 2016 projected net plant additions. |
| **Reconciliation Year** | • Reconciles Revenue Requirement reflected in rates during 2016 to 2016 Actual Costs Incurred. Revenue requirement for 2016 is based on docket 15-0287 (2014 actual costs and 2015 projected net plant additions) approved in December 2015. |
| **Requested Common Equity Ratio** | 45.89% |
| **Requested Rate of Return** | ~ROE: 8.40%; ROR: ~6.50% |
| **Proposed Rate Base (Adjusted)** | ~$9.7B |
| **Requested Revenue Requirement Increase** | $95.6M |
| **Residential Total Bill % Increase** | 0.8% |
| **Notes** | • April 13, 2017, ComEd filed application with Illinois Commerce Commission seeking increase in electric distribution base rates<br>• Size of ask is driven by continued investments in electric distribution system to maintain and increase reliability and customer service<br>• $9,662 million– Filing year (represents projected year-end rate base using 2016 actual plus 2017 projected capital additions). 2017 and 2018 earnings will reflect 2017 and 2018 year-end rate base respectively.<br>• $8,807 million - Reconciliation year (represents year-end rate base for 2016)<br>• $95.6M increase ($17.5M increase due to the 2016 reconciliation and collar adjustment in addition to a $78.1M increase related to the filing year). The 2016 reconciliation impact on net income was recorded in 2016 as a regulatory asset.<br>Procedural Schedule:<br>• Commission Order Received: December 06, 2017<br>• Rates are effective January 1, 2018 |

# Appendix

# Reconciliation of Non-GAAP Measures

# Q4 QTD GAAP EPS Reconciliation

| Three Months Ended December 31, 2016 | ExGen | ComEd | PECO | BGE | PHI | Other | Exelon |
|---|---|---|---|---|---|---|---|
| **2016 GAAP (Loss) Earnings Per Share** | **$(0.04)** | **$0.09** | **$0.10** | **$0.11** | **$0.03** | **$(0.06)** | **$0.22** |
| Mark-to-market impact of economic hedging activities | (0.05) | - | - | - | - | - | (0.05) |
| Unrealized losses related to NDT fund investments | 0.01 | - | - | - | - | - | 0.01 |
| Amortization of commodity contract intangibles | 0.03 | - | - | - | - | - | 0.03 |
| Merger and integration costs | 0.02 | - | - | - | - | - | 0.02 |
| Reassessment of state deferred income taxes | 0.02 | - | - | - | - | - | 0.01 |
| Asset retirement obligation | (0.08) | - | - | - | - | - | (0.08) |
| Merger commitments | 0.04 | - | - | - | 0.01 | (0.01) | 0.04 |
| Plant retirements and divestitures | 0.10 | - | - | - | - | - | 0.10 |
| Cost management program | 0.01 | - | - | - | - | - | 0.01 |
| Curtailment of Generation growth and development activities | 0.06 | - | - | - | - | - | 0.06 |
| Noncontrolling interests | 0.07 | - | - | - | - | - | 0.07 |
| **2016 Adjusted (non-GAAP) Operating Earnings (Loss) Per Share** | **$0.18** | **$0.09** | **$0.10** | **$0.11** | **$0.05** | **$(0.08)** | **$0.44** |

NOTE: All amounts shown are per Exelon share and represent contributions to Exelon's EPS. Amounts may not add due to rounding.

# Q4 QTD GAAP EPS Reconciliation (continued)

| Three Months Ended December 31, 2017 | ExGen | ComEd | PECO | BGE | PHI | Other | Exelon |
|---|---|---|---|---|---|---|---|
| **2017 GAAP (Loss) Earnings Per Share** | **$2.29** | **$0.12** | **$0.11** | **$0.08** | **$0.00** | **($0.66)** | **$1.94** |
| Mark-to-market impact of economic hedging activities | 0.01 | - | - | - | - | - | 0.01 |
| Unrealized gains related to NDT fund investments | (0.12) | - | - | - | - | - | (0.12) |
| Amortization of commodity contract intangibles | 0.01 | - | - | - | - | - | 0.01 |
| Merger and integration costs | - | - | - | - | - | - | - |
| Long-lived asset impairments | 0.01 | - | - | - | 0.02 | - | 0.03 |
| Plant retirements and divestitures | 0.07 | - | - | - | - | - | 0.07 |
| Cost management program | 0.01 | - | - | - | - | - | 0.01 |
| Reassessment of state deferred income taxes | (1.94) | - | (0.01) | 0.01 | 0.03 | 0.61 | (1.30) |
| Asset retirement obligation | - | - | - | - | - | - | - |
| Gain on deconsolidation of business | (0.14) | - | - | - | - | - | (0.14) |
| Vacation policy change | (0.03) | - | - | - | (0.01) | - | (0.03) |
| Change in environmental remediation liabilities | 0.03 | - | - | - | - | - | 0.03 |
| Noncontrolling interests | 0.04 | - | - | - | - | - | 0.04 |
| **2017 Adjusted (non-GAAP) Operating Earnings (Loss) Per Share** | **$0.26** | **$0.13** | **$0.10** | **$0.08** | **$0.05** | **($0.07)** | **$0.55** |

NOTE: All amounts shown are per Exelon share and represent contributions to Exelon's EPS. Amounts may not add due to rounding.

# Q4 YTD GAAP EPS Reconciliation

| Twelve Months Ended December 31, 2016 | ExGen | ComEd | PECO | BGE | PHI | Other | Exelon |
|---|---|---|---|---|---|---|---|
| **2016 GAAP Earnings (Loss) Per Share** | **$0.54** | **$0.41** | **$0.47** | **$0.31** | **($0.07)** | **($0.44)** | **$1.22** |
| Mark-to-market impact of economic hedging activities | 0.03 | - | - | - | - | - | 0.03 |
| Unrealized gains related to NDT fund investments | (0.13) | - | - | - | - | - | (0.13) |
| Amortization of commodity contract intangibles | 0.04 | - | - | - | - | - | 0.04 |
| Merger and integration costs | 0.04 | - | - | - | 0.05 | 0.04 | 0.12 |
| Long-lived asset impairments | 0.11 | - | - | - | - | - | 0.11 |
| Asset retirement obligation | (0.08) | - | - | - | - | - | (0.08) |
| Reassessment of state deferred income taxes | 0.02 | - | - | - | - | (0.01) | 0.01 |
| Merger commitments | 0.05 | - | - | - | 0.27 | 0.16 | 0.47 |
| Plant retirements and divestitures | 0.47 | - | - | - | - | - | 0.47 |
| Cost management program | 0.03 | - | - | - | - | - | 0.04 |
| Like-kind exchange tax position | - | 0.16 | - | - | - | 0.05 | 0.21 |
| Curtailment of Generation growth and development activities | 0.06 | - | - | - | - | - | 0.06 |
| Noncontrolling interests | 0.11 | - | - | - | - | - | 0.11 |
| **2016 Adjusted (non-GAAP) Operating Earnings (Loss) Per Share** | **$1.27** | **$0.57** | **$0.48** | **$0.31** | **$0.25** | **($0.20)** | **$2.68** |

NOTE: All amounts shown are per Exelon share and represent contributions to Exelon's EPS. Amounts may not add due to rounding.

# Q4 YTD GAAP EPS Reconciliation (continued)

| Twelve Months Ended December 31, 2017 | ExGen | ComEd | PECO | BGE | PHI | Other | Exelon |
|---|---|---|---|---|---|---|---|
| **2017 GAAP Earnings (Loss) Per Share** | **$2.84** | **$0.60** | **$0.46** | **$0.32** | **$0.38** | **($0.63)** | **$3.97** |
| Mark-to-market impact of economic hedging activities | 0.11 | - | - | - | - | - | 0.11 |
| Unrealized gains related to NDT fund investments | (0.34) | - | - | - | - | - | (0.34) |
| Amortization of commodity contract intangibles | 0.04 | - | - | - | - | - | 0.04 |
| Merger and integration costs | 0.05 | - | - | - | (0.01) | - | 0.04 |
| Merger commitments | (0.02) | - | - | - | (0.06) | (0.06) | (0.14) |
| Long-lived asset impairments | 0.32 | - | - | - | 0.02 | - | 0.34 |
| Plant retirements and divestitures | 0.22 | - | - | - | - | - | 0.22 |
| Reassessment of state deferred income taxes | (1.96) | - | (0.01) | 0.01 | 0.04 | 0.56 | (1.37) |
| Cost management program | 0.03 | - | - | 0.01 | - | - | 0.04 |
| Like-kind exchange tax position | - | 0.02 | - | - | - | (0.05) | (0.03) |
| Tax settlements | (0.01) | - | - | - | - | - | (0.01) |
| Bargain purchase gain | (0.25) | - | - | - | - | - | (0.25) |
| Gain on deconsolidation of business | (0.14) | - | - | - | - | - | (0.14) |
| Vacation policy change | (0.03) | - | - | - | (0.01) | - | (0.03) |
| Change in Environmental Remediation Liabilities | 0.03 | - | - | - | - | - | 0.03 |
| Noncontrolling interests | 0.12 | - | - | - | - | - | 0.12 |
| **2017 Adjusted (non-GAAP) Operating Earnings (Loss) Per Share** | **$1.03** | **$0.62** | **$0.45** | **$0.33** | **$0.36** | **($0.19)** | **$2.60** |

NOTE: All amounts shown are per Exelon share and represent contributions to Exelon's EPS. Amounts may not add due to rounding.

# Projected GAAP to Operating Adjustments

- **Exelon's projected 2018 adjusted (non-GAAP) operating earnings excludes the earnings effects of the following:**
  - Mark-to-market adjustments from economic hedging activities
  - Unrealized gains and losses from NDT fund investments to the extent not offset by contractual accounting as described in the notes to the consolidated financial statements
  - Non-cash amortization of intangible assets, net, related to commodity contracts recorded at fair value at the ConEdison Solutions and FitzPatrick acquisition dates
  - Certain merger and integration costs associated with the PHI and FitzPatrick acquisitions
  - Certain costs related to plant retirements
  - Costs incurred related to a cost management program
  - Generation's noncontrolling interest, primarily related to CENG exclusion items
  - Other unusual items

# GAAP to Non-GAAP Reconciliations

| YE 2018 Exelon FFO Calculation ($M)[1,2] | |
|---|---|
| GAAP Operating Income | $3,450 |
| Depreciation & Amortization | $3,850 |
| EBITDA | $7,300 |
| +/- Non-operating activities and nonrecurring items[3] | $350 |
| - Interest Expense | ($1,400) |
| + Current Income Tax (Expense)/Benefit | $100 |
| + Nuclear Fuel Amortization | $1,075 |
| +/- Other S&P Adjustments[4] | $275 |
| **= FFO (a)** | **$7,700** |

| YE 2018 Exelon Adjusted Debt Calculation ($M)[1,2] | |
|---|---|
| Long-Term Debt (including current maturities) | $33,075 |
| Short-Term Debt | $1,125 |
| + PPA and Operating Lease Imputed Debt[5] | $1,025 |
| + Pension/OPEB Imputed Debt[6] | $4,000 |
| - Off-Credit Treatment of Debt[7] | ($1,875) |
| - Surplus Cash Adjustment[8] | ($1,075) |
| +/- Other S&P Adjustments[4] | ($250) |
| **= Adjusted Debt (b)** | **$36,025** |

| YE 2018 Exelon FFO/Debt[1,2] | | |
|---|---|---|
| FFO (a) / Adjusted Debt (b) | = | 21% |

(1) All amounts rounded to the nearest $25M and may not add due to rounding
(2) Calculated using S&P Methodology. Due to ring-fencing, S&P deconsolidates BGE from Exelon and analyzes solely as an equity investment.
(3) Reflects impact of operating adjustments on GAAP EBITDA
(4) Reflects other adjustments as prescribed by S&P
(5) Reflects present value of net capacity purchases and present value of minimum future operating lease payments
(6) Reflects after-tax underfunded pension/OPEB
(7) Reflects non-recourse project debt
(8) Reflects 75% of excess cash applied against balance of LTD

# GAAP to Non-GAAP Reconciliations

| YE 2018 ExGen FFO Calculation ($M)[1,2] | |
|---|---|
| GAAP Operating Income | $1,025 |
| Depreciation & Amortization | $1,800 |
| EBITDA | $2,825 |
| +/- Non-operating activities and nonrecurring items[3] | $350 |
| - Interest Expense | ($400) |
| + Current Income Tax (Expense)/Benefit | ($225) |
| + Nuclear Fuel Amortization | $1,075 |
| +/- Other S&P Adjustments[4] | $75 |
| **= FFO (a)** | **$3,700** |

| YE 2018 ExGen Adjusted Debt Calculation ($M)[1,2] | |
|---|---|
| Long-Term Debt (including current maturities) | $8,850 |
| Short-Term Debt | $0 |
| + PPA and Operating Lease Imputed Debt[5] | $700 |
| + Pension/OPEB Imputed Debt[6] | $1,700 |
| - Off-Credit Treatment of Debt[7] | ($1,875) |
| - Surplus Cash Adjustment[8] | ($700) |
| +/- Other S&P Adjustments[4] | $275 |
| **= Adjusted Debt (b)** | **$8,950** |

**YE 2018 ExGen FFO/Debt[1,2]**

$$\frac{\text{FFO (a)}}{\text{Adjusted Debt (b)}} = 41\%$$

(1) All amounts rounded to the nearest $25M and may not add due to rounding
(2) Calculated using S&P Methodology
(3) Reflects impact of operating adjustments on GAAP EBITDA
(4) Reflects other adjustments as prescribed by S&P
(5) Reflects present value of net capacity purchases and present value of minimum future operating lease payments
(6) Reflects after-tax underfunded pension/OPEB
(7) Reflects non-recourse project debt
(8) Reflects 75% of excess cash applied against balance of LTD

# GAAP to Non-GAAP Reconciliations

| YE 2018 ExGen Net Debt Calculation ($M)(1,2) | |
|---|---|
| Long-Term Debt (including current maturities) | $8,850 |
| Short-Term Debt | $0 |
| - Surplus Cash Adjustment | ($950) |
| **= Net Debt (a)** | **$7,900** |

| YE 2018 ExGen Net Debt Calculation ($M)(1,2) | |
|---|---|
| Long-Term Debt (including current maturities) | $8,850 |
| Short-Term Debt | $0 |
| - Surplus Cash Adjustment | ($950) |
| - Nonrecourse Debt | ($2,075) |
| **= Net Debt (a)** | **$5,825** |

| YE 2018 ExGen Operating EBITDA Calculation ($M)(1) | |
|---|---|
| GAAP Operating Income(3) | $950 |
| Depreciation & Amortization(3) | $1,700 |
| EBITDA(3) | $2,650 |
| +/- Non-operating activities and nonrecurring items(2) | $525 |
| **= Operating EBITDA (b)** | **$3,175** |

| YE 2018 ExGen Operating EBITDA Calculation ($M)(1) | |
|---|---|
| GAAP Operating Income(3) | $950 |
| Depreciation & Amortization(3) | $1,700 |
| EBITDA(3) | $2,650 |
| +/- Non-operating activities and nonrecurring items(2) | $525 |
| - EBITDA from projects financed by nonrecourse debt | ($275) |
| **= Operating EBITDA (b)** | **$2,900** |

**YE 2018 Book Debt / EBITDA**

$$\frac{\text{Net Debt (a)}}{\text{Operating EBITDA (b)}} = 2.5x$$

**YE 2018 Recourse Debt / EBITDA**

$$\frac{\text{Net Debt (a)}}{\text{Operating EBITDA (b)}} = 2.0x$$

(1) All amounts rounded to the nearest $25M
(2) Reflects impact of operating adjustments on GAAP EBITDA
(3) Includes Exelon-operated nuclear plants, at ownership



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# GAAP to Non-GAAP Reconciliations

| Q4 2017 Operating ROE Reconciliation ($M)(1) | ACE | Delmarva | Pepco | Legacy EXC | Consolidated EU |
|---|---|---|---|---|---|
| Net Income (GAAP)(1) | $77 | $121 | $205 | $1,308 | $1,711 |
| Operating Exclusions | ($20) | ($13) | ($20) | $28 | ($24) |
| Adjusted Operating Earnings(1) | $58 | $108 | $185 | $1,336 | $1,687 |
| Average Equity | $1,038 | $1,330 | $2,417 | $13,003 | $17,787 |
| **Operating ROE (Adjusted Operating Earnings/Average Equity)** | **5.6%** | **8.1%** | **7.7%** | **10.3%** | **9.5%** |

| Q4 2016 Operating ROE Reconciliation(1) | ACE | Delmarva | Pepco | Legacy EXC | Consolidated EU |
|---|---|---|---|---|---|
| Net Income (GAAP)(1) | ($42) | ($9) | $42 | $1,102 | $1,103 |
| Operating exclusions | $99 | $89 | $127 | $146 | $461 |
| Adjusted Operating Earnings(1) | $57 | $80 | $170 | $1,258 | $1,564 |
| Average Equity | $1,017 | $1,282 | $2,270 | $11,951 | $16,523 |
| **Operating ROE (Adjusted Operating Earnings/Average Equity)** | **5.6%** | **6.3%** | **7.5%** | **10.5%** | **9.5%** |

Note: Amounts may not sum due to rounding
(1) ACE, Delmarva, and Pepco represents full year of earnings



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# GAAP to Non-GAAP Reconciliations

| 2018 Adjusted Cash from Ops Calculation ($M)(1) | ComEd | PECO | BGE | PHI | ExGen | Other | Exelon |
|---|---|---|---|---|---|---|---|
| Net cash flows provided by operating activities (GAAP) | $1,625 | $600 | $625 | $1,125 | $4,125 | $275 | $8,375 |
| Other cash from investing activities | - | - | - | - | ($275) | - | ($275) |
| Intercompany receivable adjustment | - | - | - | - | - | - | - |
| Counterparty collateral activity | - | - | - | - | - | - | - |
| **Adjusted Cash Flow from Operations** | **$1,625** | **$600** | **$625** | **$1,125** | **$3,875** | **$275** | **$8,100** |

| 2018 Cash From Financing Calculation ($M)(1) | ComEd | PECO | BGE | PHI | ExGen | Other | Exelon |
|---|---|---|---|---|---|---|---|
| Net cash flow provided by financing activities (GAAP) | $750 | ($25) | $400 | $350 | ($950) | ($225) | $300 |
| Dividends paid on common stock | $450 | $300 | $200 | $300 | $750 | ($675) | $1,325 |
| Intercompany receivable adjustment | - | - | - | - | - | - | - |
| **Financing Cash Flow** | **$1,200** | **$275** | **$600** | **$650** | **($200)** | **($900)** | **$1,625** |

| Exelon Total Cash Flow Reconciliation(1) | 2018 |
|---|---|
| **GAAP Beginning Cash Balance** | **$900** |
| Adjustment for Cash Collateral Posted | $500 |
| Adjusted Beginning Cash Balance(3) | $1,400 |
| Net Change in Cash (GAAP)(2) | $575 |
| Adjusted Ending Cash Balance(3) | $1,975 |
| Adjustment for Cash Collateral Posted | ($525) |
| **GAAP Ending Cash Balance** | **$1,475** |

(1) All amounts rounded to the nearest $25M. Items may not sum due to rounding.
(2) Represents the GAAP measure of net change in cash, which is the sum of cash flow from operations, cash from investing activities, and cash from financing activities. Figures reflect cash capital expenditures and CENG fleet at 100%.
(3) Adjusted Beginning and Ending cash balances reflect GAAP Beginning and End Cash Balances excluding counterparty collateral activity



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# GAAP to Non-GAAP Reconciliations

| ExGen Adjusted O&M Reconciliation ($M)[1] | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| **GAAP O&M** | **$5,225** | **$5,000** | **$4,925** | **$4,950** |
| Decommissioning[2] | - | - | - | - |
| TMI Retirement | - | - | - | - |
| Oyster Creek Retirement | (25) | - | - | - |
| Direct cost of sales incurred to generate revenues for certain Constellation and Power businesses[3] | (250) | (300) | (250) | (250) |
| O&M for managed plants that are partially owned | (400) | (400) | (425) | (425) |
| Other | - | - | 25 | 25 |
| **Adjusted O&M (Non-GAAP)** | **$4,550** | **$4,300** | **$4,275** | **$4,300** |

| 2018-2021 ExGen Available Cash Flow and Uses of Cash Calculation ($M)[1] | |
|---|---|
| Cash from Operations (GAAP) | $15,975 |
| Other Cash from Investing and Financing Activities | ($1,200) |
| Baseline Capital Expenditures[4] | ($3,675) |
| Nuclear Fuel Capital Expenditures | ($3,450) |
| **Free Cash Flow before Growth CapEx and Dividend** | **$7,625** |

(1) All amounts rounded to the nearest $25M. Items may not sum due to rounding.
(2) Reflects earnings neutral O&M
(3) Reflects the direct cost of sales of certain businesses, which are included in Total Gross Margin*
(4) Baseline capital expenditures refer to maintenance and required capital expenditures necessary for day-to-day plant operations and includes merger commitments



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# Exelon Corporation
## Quarter Review

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Q4 2017

IN Q4

**GAAP Earnings**
**$1.94 per share**
**Adjusted earnings**
**of $0.55 per share***

THIS YEAR

- Full-year GAAP earnings of $3.97 per share/ Adjusted full-year earnings of $2.60 per share*
- 2017 Total Shareholder Return of 15.1 percent
- Dividend growth raised to 5 percent annually
- Outperformed the utility sector index two consecutive years

## 2017 HIGHLIGHTS & PERFORMANCE

### Utilities

Grid Investment

**$5.3 billion**
invested in technology and infrastructure across all utilities in 2017

Top quartile performance across all six utilities

✓ Best-ever reliability and performance for BGE, ComEd and PHI

23% improvement
in speed of restoration of outages and 11 percent fewer outages at Delmarva Power

37% improvement
in speed of restoration of outages and 9 percent fewer outages at ACE

41% improvement
in speed of restoration of outages and 18 percent fewer outages at Pepco

### Exelon Nuclear

157 million mwh
Owned and operated 2017 production was best on record

94.1%
2017 nuclear capacity factor

### Commitment to Community

$52.1 million
record-breaking giving to nonprofits

210,000
employee volunteering hours, breaking all previous records

$2 billion
spent with minority, women and veteran-owned firms

* For reconciliation of GAAP Net Income to Adjusted (non-GAAP) Operating Earnings, refer to the tables beginning on Pg. 9 in our press release