

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 8-K

CURRENT REPORT

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

January 25, 2005

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 (a Pennsylvania corporation) 10 South Dearborn Street—37 th Floor P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-7398	23-2990190
1-1839	COMMONWEALTH EDISON COMPANY (an Illinois corporation) 10 South Dearborn Street — 37 th Floor P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-4321	36-0938600
1-1401	PECO ENERGY COMPANY (a Pennsylvania corporation) P.O. Box 8699 2301 Market Street Philadelphia, Pennsylvania 19101-8699 (215) 841-4000	23-0970240
333-85496	EXELON GENERATION COMPANY, LLC (a Pennsylvania limited liability company) 300 Exelon Way Kennett Square, Pennsylvania 19348 (610) 765-6900	23-3064219

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Section 2 — Financial Information

Item 2.02. Results of Operations and Financial Condition

Section 7 — Regulation FD

Item 7.01. Regulation FD Disclosure

On January 25, 2005, Exelon Corporation (Exelon) announced via press release Exelon's results for the fourth quarter ended December 31, 2004. A copy of Exelon's press release and the earnings release attachments are attached hereto as Exhibit 99.1. Discussion materials for the January 26, 2005 conference call are attached hereto as Exhibits 99.2 through 99.5. This Form 8-K and the attached exhibits are provided under Items 2.02 and 7.01 of Form 8-K and are furnished to, but not filed with, the Securities and Exchange Commission.

Section 9 — Financial Statements and Exhibits

Item 9.01 — Financial Statements and Exhibits

(c) Exhibits

Exhibit No.	Description
99.1	Press release and earnings release attachments
99.2	2004 Financial Scorecard
99.3	Exelon Way Savings
99.4	Free Cash Flow
99.5	2005 Adjusted (non-GAAP) Operating EPS Guidance

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

Except for the historical information contained herein, certain of the matters discussed in this Report are forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from the forward-looking statements made by a registrant include those factors discussed herein, as well as the items discussed in (a) the Registrants' 2003 Annual Report on Form 10-K—ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Business Outlook and the Challenges in Managing Our Business for each of Exelon, ComEd, PECO and Generation, (b) the Registrants' 2003 Annual Report on Form 10-K—ITEM 8. Financial Statements and Supplementary Data: Exelon—Note 19, ComEd—Note 15, PECO—Note 14 and Generation—Note 13 and (c) other factors discussed in filings with the United States Securities and Exchange Commission (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, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EXELON CORPORATION
COMMONWEALTH EDISON COMPANY
PECO ENERGY COMPANY
EXELON GENERATION COMPANY, LLC

/s/ Robert S. Shapard

Robert S. Shapard
Executive Vice President and Chief Financial Officer
Exelon Corporation

January 25, 2005



News Release

From: Exelon Corporation
Corporate Communications
P.O. Box 805379
Chicago, IL 60680-5379

FOR IMMEDIATE RELEASE

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**Exelon Announces Fourth Quarter Earnings and
Reports \$2.78 Per Diluted Share for Full Year; Declares Quarterly Dividend**

Chicago (January 25, 2005) — Exelon Corporation's (Exelon) fourth quarter 2004 consolidated earnings prepared in accordance with GAAP were \$363 million, or \$0.54 per diluted share, compared with \$274 million, or \$0.41 per diluted share, in 2003. Full year 2004 consolidated earnings prepared in accordance with GAAP were \$1,864 million, or \$2.78 per diluted share, compared with \$905 million, or \$1.38 per diluted share, in 2003.

Exelon's adjusted (non-GAAP) operating earnings for the fourth quarter of 2004 were \$391 million, or \$0.58 per diluted share, compared with \$382 million, or \$0.58 per diluted share, for the same period in 2003. The slight increase in year-over-year adjusted (non-GAAP) operating earnings was primarily due to the acquisition of the second half of AmerGen Energy Company, LLC (AmerGen) in late 2003, higher margins at Exelon Generation Company, LLC (Exelon Generation) and cost savings related to The Exelon Way program, partially offset by higher taxes other than income taxes and unfavorable mark-to-market adjustments. Adjusted (non-GAAP) operating earnings for the quarter included an unrealized mark-to-market loss of \$0.04 per share from non-trading activities at Exelon Generation and an estimated negative \$0.02 per share from reduced kWh sales at Commonwealth Edison Company (ComEd) and PECO Energy Company (PECO) due to milder than normal winter weather in the fourth quarter. Excluding these two items, which were not considered in the company's fourth quarter earnings guidance, adjusted (non-GAAP) operating earnings would have been \$0.64 per diluted share.

Adjusted (non-GAAP) operating earnings is a non-GAAP financial measure. Adjusted (non-GAAP) operating earnings for the fourth quarter of 2004 do not include the following items that are included in reported GAAP earnings (all after-tax):

- Earnings of \$23 million, or \$0.04 per diluted share, from investments in synthetic fuel-producing facilities.
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- Severance and severance-related costs related to The Exelon Way of \$19 million, or \$0.03 per diluted share.
- Charges totaling \$14 million, or \$0.02 per diluted share, for premiums paid on and other charges associated with debt repurchases under ComEd's accelerated liability management plan.
- Charges of \$11 million, or \$0.02 per diluted share, associated with Exelon Generation's investment in Sithe Energies, Inc. (Sithe).
- Costs of \$4 million related to the proposed merger with Public Service Enterprise Group Incorporated (PSEG) and charges of \$3 million associated with Boston Generating LLC (Boston Generating), totaling \$0.01 per diluted share.

Adjusted (non-GAAP) operating earnings for the fourth quarter of 2003 did not include the following items that were included in reported GAAP earnings (all after-tax):

- Severance and severance-related costs related to The Exelon Way of \$54 million, or \$0.09 per diluted share.
- Impairment charges totaling \$20 million, or \$0.03 per diluted share, at Exelon Enterprises Company, LLC (Enterprises), including long-lived and other asset impairments at Exelon Services, Inc. (Services), asset impairments associated with a communications investment, impairment of an equity method investment held by Exelon Thermal Holdings, Inc. (Thermal) and other wind-down costs. These charges were associated with the anticipated dispositions of these entities in 2004.
- A goodwill impairment charge of \$19 million, or \$0.03 per diluted share, at Services.
- A charge of \$15 million, or \$0.02 per diluted share, associated with Exelon Generation's investment in Sithe.

Full year 2004 adjusted (non-GAAP) operating earnings were \$2.78 per diluted share, up 6.5 percent over 2003 adjusted (non-GAAP) operating earnings of \$2.61 per diluted share. The full year adjusted (non-GAAP) operating earnings improvement was due to a number of factors including strong core growth in retail volumes, higher generation margins, the acquisition of the second half of AmerGen in 2003, cost savings related to The Exelon Way, reduced losses at Enterprises and lower interest expense. Partially offsetting these favorable year-over-year earnings drivers were lower competitive transition charge (CTC) revenue, as expected, at ComEd; milder than normal weather; higher depreciation and amortization expense; and higher taxes other than income taxes. Adjusted (non-GAAP) operating earnings for the year included an unrealized mark-to-market loss of \$0.01 per share from non-trading activities at Exelon Generation and an estimated negative \$0.11 per share from reduced kWh sales at ComEd and PECO due to milder than normal weather. The company's full year earnings guidance assumed normal weather and no mark-to-market adjustments.

"We were able to increase full year operating earnings per share by 6.5 percent over last year, despite a very mild summer in both Chicago and Philadelphia that reduced earnings in our energy delivery business by about \$0.09 per share compared with 2003. Our strong performance in 2004 demonstrates healthy growth in our core business and a successful cost reduction program," said John W. Rowe, Exelon's chairman, president and CEO. "With \$2.78

of adjusted (non-GAAP) operating earnings per share in 2004, Exelon has achieved nearly 10 percent average annual EPS growth since its formation in late 2000.”

2005 Earnings Outlook

Rowe added, “We are raising our 2005 adjusted (non-GAAP) operating earnings guidance to \$2.90 to \$3.10 per share to reflect normalized 2004 results of \$2.90 per share and our confidence in continued strong earnings growth this year driven by 1.5 to 2.0 percent core load growth, higher realized generation margins and continued cost savings.”

Exelon’s outlook for adjusted (non-GAAP) operating earnings excludes income resulting from investments in synthetic fuel-producing facilities, the financial impact of the company’s investment in Sithe and merger-related costs. Giving consideration to these factors, Exelon estimates 2005 GAAP earnings will fall in the range of \$2.95 to \$3.15 per share. This estimate does not include any impact of future changes to GAAP. First quarter adjusted (non-GAAP) operating earnings are expected to be between \$0.50 and \$0.75 per share. Earnings guidance is based on the assumption of normal weather.

Quarterly Common Dividend Declared

The Board of Directors of Exelon declared a regular quarterly dividend of \$0.40 per share on Exelon’s common stock. The dividend is payable on March 10, 2005 to shareholders of record of Exelon at 5:00 p.m. New York Time on February 15, 2005.

Fourth Quarter Highlights

- **Proposed Merger with PSEG:** On December 20, 2004, Exelon entered into an agreement to merge with PSEG, a public electric and gas utility company located primarily in New Jersey. The merger is contingent upon, among other things, the approval by the shareholders of both companies, antitrust clearance and a number of regulatory approvals or reviews.

Under the merger agreement, each common share of PSEG will be converted into 1.225 shares of Exelon common stock. Following the merger, Exelon shareholders will own approximately 68 percent and PSEG stockholders will own approximately 32 percent of the combined company.

- **Nuclear Operating Services Contract:** In connection with the proposed merger, Exelon and PSEG entered into a Nuclear Operating Services Contract that commenced on January 17, 2005. Under the agreement, Exelon is supplying senior personnel to oversee daily plant operations and to implement the Exelon Nuclear Management Model, which defines proven practices that Exelon has used to manage its successful nuclear performance improvement program. This will assist PSEG in improving the operations of the Salem nuclear facility, which is jointly owned with Exelon, and the adjacent Hope Creek nuclear facility. PSEG will remain as the license holder and will retain responsibility for management oversight until the close of the merger, and will have full authority with respect to marketing of its share of the output from the facilities.
- **Sale of Sithe:** On November 1, 2004, Exelon Generation entered into an agreement to sell Sithe to Dynegy Inc. for \$135 million in cash. Prior to closing the sale, Exelon expects to receive approximately \$60 million in cash distributions from Sithe. The sale will enable Exelon to deconsolidate from its balance sheet approximately \$820 million of debt associated with the Independence plant. Exelon expects that the sale will not materially impact future earnings. The sale of Sithe is subject to federal and state regulatory approvals. The parties anticipate closing in the first quarter of 2005.
- **Nuclear Operations:** Exelon Generation’s nuclear fleet produced 33,653 GWhs (including 5,213 GWhs by the AmerGen plants) in the fourth quarter of 2004, compared

with 28,400 GWhs output (excluding AmerGen) in the fourth quarter of 2003. The fleet, including AmerGen, achieved a capacity factor of 91.4 percent for the fourth quarter of 2004, compared with 89.6 percent for the fourth quarter of 2003. Exelon Nuclear completed three scheduled refueling outages totaling 90 days in the fourth quarter of 2004 versus three totaling 117 days in the fourth quarter of 2003. In addition, the Salem plant, which is operated by PSEG and 42.59 percent owned by Exelon, had no scheduled refueling outages in the fourth quarter of 2004 versus one scheduled refueling outage in the fourth quarter of 2003. During the fourth quarter of 2004, the scheduled refueling outage at Dresden Unit 3 was extended longer than planned; and Dresden Unit 2 was brought offline to repair the generator rotors in both units. The extended outage and the unplanned outage resulted in \$9 million after-tax higher operating and maintenance expenses. Exelon Nuclear achieved a 93.5 percent capacity factor for the full year 2004 compared with 93.4 percent for 2003.

- **ComEd Liability Management Plan:** In the fourth quarter of 2004, ComEd repaid \$433 million of first mortgage bonds and notes of various series under its accelerated liability management plan (Plan). Under this Plan, ComEd retired or redeemed \$1.2 billion of its long-term debt in 2004, excluding the retirement of transition debt.

BUSINESS UNIT RESULTS

Exelon Energy Delivery consists of the retail electricity transmission and distribution operations of ComEd and PECO and the natural gas distribution business of PECO. Energy Delivery's net income in the fourth quarter of 2004 was \$248 million compared with net income of \$250 million in the fourth quarter of 2003. Fourth quarter 2004 net income included an after-tax charge of \$14 million related to debt retirement charges associated with ComEd's accelerated liability management plan. Fourth quarter 2004 and 2003 net income included after-tax severance and severance-related costs related to The Exelon Way of \$7 million and \$41 million, respectively. Excluding these items, Energy Delivery's net income decreased \$22 million compared to the same quarter last year, primarily due to higher taxes other than income taxes; decreased revenue net fuel driven by lower transmission revenues at ComEd; and increased depreciation and amortization expense, primarily related to higher plant balances at both ComEd and PECO and competitive transition charge amortization at PECO, partially offset by lower interest costs.

Heating degree-days for the fourth quarter of 2004 in the ComEd service territory were down 2 percent relative to the same period in 2003 and were 10 percent below normal. In the PECO service territory, heating degree-days were up 1 percent compared with 2003 and were 5 percent below normal. Retail kWh deliveries increased 4 percent for ComEd, with a 4 percent increase in deliveries to the residential customer class. PECO's retail kWh deliveries increased 2 percent overall, with residential deliveries up 2 percent. Energy Delivery's fourth quarter 2004 revenues were \$2,436 million, up 4 percent from \$2,352 million in 2003. Weather did not have a significant impact on fourth quarter 2004 earnings per share relative to 2003 but decreased fourth quarter 2004 earnings per share by approximately \$0.02 relative to the normal weather that was incorporated in earnings guidance.

Exelon Generation consists of Exelon's electric generation operations, competitive retail sales and power marketing and trading functions. Generation's 2003 results have been adjusted to include Exelon Energy, which was transferred to Generation as of January 1, 2004. Fourth quarter 2004 net income was \$74 million compared with \$92 million in the fourth quarter of 2003. Fourth quarter 2004 net income included after-tax charges associated with Exelon Generation's investment in Sithe of \$11 million, severance and severance-related

after-tax charges associated with The Exelon Way of \$9 million and charges associated with Boston Generating of \$3 million. Fourth quarter 2003 net income included after-tax charges associated with Exelon Generation's investment in Sithe of \$15 million and severance and severance-related after-tax charges associated with The Exelon Way of \$11 million. Fourth quarter 2004 net income also included an after-tax unrealized mark-to-market loss, excluding Sithe, of \$25 million from non-trading activities compared with a \$4 million after-tax unrealized mark-to-market loss, excluding Boston Generating, in the fourth quarter of 2003. Excluding the impact of the items listed above, Generation's net income was comparable with the same quarter last year, primarily due to the acquisition of the remaining 50 percent of AmerGen, higher generation margins, lower operating and maintenance expense related to nuclear operations, and increased earnings at Exelon Energy, offset by several favorable adjustments in the fourth quarter of 2003 related to taxes other than income taxes and income generated by Boston Generating in 2003.

Energy sales, exclusive of trading volumes, totaled 48,109 GWhs for the fourth quarter of 2004 compared with 54,348 GWhs in 2003, reflecting the adoption of a new accounting standard (EITF 03-11) that required certain energy transactions to be netted within revenues, partially offset by the acquisition of the remaining 50 percent of AmerGen which resulted in 1,584 GWhs of additional sales in 2004. The new standard resulted in a reduction of 6,907 GWhs for the fourth quarter of 2004. The remaining GWh variance was primarily driven by lower fossil and hydro generation and the decision not to renew the Midwest Generation options, partially offset by higher sales to PECO and ComEd due to higher deliveries to their residential and large commercial and industrial customers. Generation's fourth quarter 2004 revenues were \$1,785 million, down 9 percent from fourth quarter 2003 revenues of \$1,965 million due to the sale of Boston Generating and the adoption of EITF 03-11. These drivers were partially offset by the acquisition of the remaining 50 percent of AmerGen and the consolidation of Generation's investment in Sithe Energies, Inc. as of March 31, 2004. The adoption of EITF 03-11 resulted in reductions in revenues, purchased power expense and fuel expense of \$255 million, \$251 million and \$4 million, respectively, but had no impact on net income. Revenues and expenses from prior periods were not affected.

Generation's revenue, net of purchased power and fuel expense, increased by \$173 million in the fourth quarter of 2004 compared with the fourth quarter of 2003 excluding the mark-to-market impact in both years. The incremental 2004 revenue net fuel contribution, excluding mark-to-market, from AmerGen and Sithe was \$164 million, while 2003 included \$24 million from Boston Generating. Excluding these items, the change in revenue, net of purchased power and fuel expense, increased \$33 million quarter over quarter primarily due to higher realized wholesale prices, lower capacity payments to Midwest Generation and forward hedging of fossil fuel costs. Generation's average realized margin on all sales, excluding trading activity, was \$13.15 per MWh in the fourth quarter of 2004 compared with \$10.72 per MWh in the fourth quarter of 2003.

Exelon Enterprises consists primarily of the remaining electrical contracting business of F&M Holdings, LLC and other minor investments, most of which are in the process of being sold or shut down. Enterprises' 2003 results have been adjusted to exclude Exelon Energy, which was transferred to Generation as of January 1, 2004. Enterprises' fourth quarter 2004 net loss was \$13 million compared to a fourth quarter 2003 net loss of \$68 million. During the fourth quarter of 2003, Enterprises recorded an after-tax goodwill impairment charge of \$19 million at Services, after-tax impairment charges totaling \$15 million related to the wind-down of Services and other Enterprises entities, and an after-tax impairment charge of \$5 million related to an equity method investment held by Thermal. Enterprises reported significant decreases in revenues and operating and maintenance expense mainly due to the sale or wind-down of its operations.

Adjusted (non-GAAP) Operating Earnings

Adjusted (non-GAAP) operating earnings, which generally exclude non-operational items as well as significant one-time charges or credits that are not normally associated with ongoing operations, are provided as a supplement to results reported in accordance with GAAP. Management uses such adjusted (non-GAAP) operating earnings measures internally to evaluate the company's performance and manage its operations. Reconciliations of GAAP to adjusted (non-GAAP) operating earnings for historical periods are attached. Additional Earnings Release Attachments, which include these reconciliations on pages 7 and 8, are posted on Exelon's web site: www.exeloncorp.com and have been filed with the Securities and Exchange Commission on Form 8-K on January 25, 2005.

Conference call information: Exelon has scheduled a conference call for 8 AM ET (7 AM CT) on January 26, 2005. The call-in number in the U.S. is 888-802-8581, and the international call-in number is 973-935-8515. No password is required. 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 Investor Relations page.)

Telephone replays will be available until February 11th. The U.S. call-in number for replays is 877-519-4471, and the international call-in number is 973-341-3080. The confirmation code is 5568629.

Certain of the matters discussed in this news release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from the forward-looking statements made by a registrant include those discussed herein as well as those discussed in Exelon Corporation's 2003 Annual Report on Form 10-K in (a) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Business Outlook and the Challenges in Managing Our Business for Exelon, ComEd, PECO and Generation and (b) ITEM 8. Financial Statements and Supplementary Data: Exelon—Note 19, ComEd—Note 15, PECO—Note 14 and Generation—Note 13, and (c) other factors discussed in filings with the Securities and Exchange Commission (SEC) by Exelon Corporation, Commonwealth Edison Company, PECO Energy Company and Exelon Generation Company, LLC (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.

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Exelon Corporation is one of the nation's largest electric utilities with approximately 5.1 million customers and \$15 billion in annual revenues. The company has one of the industry's largest portfolios of electricity generation capacity, with a nationwide reach and strong positions in the Midwest and Mid-Atlantic.

Exelon distributes electricity to approximately 5.1 million customers in Illinois and Pennsylvania and gas to approximately 460,000 customers in the Philadelphia area. Exelon is headquartered in Chicago and trades on the NYSE under the ticker EXC.

EXELON CORPORATION
Earnings Release Attachments
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* Certain reclassifications have been made for comparative purposes between operating and maintenance expense and other, net in Exelon's and Generation's statements of income related to decommissioning accounting presentation. These reclassifications had no effect on 2003 net income as reported.

EXELON CORPORATION
Consolidating Statements of Income
(unaudited)
(in millions)

	Three Months Ended December 31, 2004				
	Energy Delivery	Generation	Enterprises	Corp/Elim	Exelon Consolidated
Operating revenues	\$ 2,436	\$ 1,785	\$ 6	\$ (849)	\$ 3,378
Operating expenses					
Purchased power	963	501	—	(844)	620
Fuel	160	417	—	(3)	574
Operating and maintenance	386	628	22	20	1,056
Depreciation and amortization	224	76	—	24	324
Taxes other than income	126	34	—	3	163
Total operating expenses	<u>1,859</u>	<u>1,656</u>	<u>22</u>	<u>(800)</u>	<u>2,737</u>
Operating income (loss)	<u>577</u>	<u>129</u>	<u>(16)</u>	<u>(49)</u>	<u>641</u>
Other income and deductions					
Interest expense	(155)	(44)	—	(17)	(216)
Distributions on preferred securities of subsidiaries	(1)	—	—	—	(1)
Equity in losses of unconsolidated affiliates	(13)	(7)	1	(36)	(55)
Other, net	(1)	14	(1)	7	19
Total other income and deductions	<u>(170)</u>	<u>(37)</u>	<u>—</u>	<u>(46)</u>	<u>(253)</u>
Income (loss) before income taxes and minority interest	407	92	(16)	(95)	388
Income taxes	159	28	(3)	(149)	35
Income (loss) before minority interest	248	64	(13)	54	353
Minority interest	—	10	—	—	10
Net income (loss)	<u>\$ 248</u>	<u>\$ 74</u>	<u>\$ (13)</u>	<u>\$ 54</u>	<u>\$ 363</u>

	Three Months Ended December 31, 2003				
	Energy Delivery	Generation (a)	Enterprises (a)	Corp/Elim	Exelon Consolidated
Operating revenues	\$ 2,352	\$ 1,965	\$ 115	\$ (855)	\$ 3,577
Operating expenses					
Purchased power	887	720	—	(840)	767
Fuel	134	491	—	1	626
Operating and maintenance	435	476	207	28	1,146
Depreciation and amortization	214	57	2	11	284
Taxes other than income	84	4	4	—	92
Total operating expenses	<u>1,754</u>	<u>1,748</u>	<u>213</u>	<u>(800)</u>	<u>2,915</u>
Operating income (loss)	<u>598</u>	<u>217</u>	<u>(98)</u>	<u>(55)</u>	<u>662</u>
Other income and deductions					
Interest expense	(182)	(25)	(2)	(12)	(221)
Distributions on preferred securities of subsidiaries	(8)	—	—	—	(8)
Equity in losses of unconsolidated affiliates	—	(42)	(4)	(3)	(49)
Other, net	2	(28)	(5)	(5)	(36)
Total other income and deductions	<u>(188)</u>	<u>(95)</u>	<u>(11)</u>	<u>(20)</u>	<u>(314)</u>
Income (loss) before income taxes and minority interest	410	122	(109)	(75)	348
Income taxes	160	28	(41)	(74)	73
Income (loss) before minority interest	250	94	(68)	(1)	275
Minority interest	—	(2)	—	1	(1)
Net income (loss)	<u>\$ 250</u>	<u>\$ 92</u>	<u>\$ (68)</u>	<u>\$ —</u>	<u>\$ 274</u>

(a) Effective January 1, 2004, Exelon Energy Company became part of Generation. The results for the three months ended December 31, 2003 have been adjusted to reflect Exelon Energy Company as part of Generation during that period.

EXELON CORPORATION
Consolidating Statements of Income
(unaudited)
(in millions)

	Twelve Months Ended December 31, 2004				
	Energy Delivery	Generation	Enterprises	Corp/Elim	Exelon Consolidated
Operating revenues	\$ 10,290	\$ 7,938	\$ 155	\$ (3,868)	\$ 14,515
Operating expenses					
Purchased power	4,232	2,325	—	(3,830)	2,727
Fuel	528	1,845	—	(18)	2,355
Operating and maintenance	1,444	2,273	211	48	3,976
Depreciation and amortization	928	294	1	82	1,305
Taxes other than income	527	171	5	16	719
Total operating expenses	<u>7,659</u>	<u>6,908</u>	<u>217</u>	<u>(3,702)</u>	<u>11,082</u>
Operating income (loss)	<u>2,631</u>	<u>1,030</u>	<u>(62)</u>	<u>(166)</u>	<u>3,433</u>
Other income and deductions					
Interest expense	(672)	(167)	(13)	(53)	(905)
Distributions on preferred securities of subsidiaries	(3)	—	—	—	(3)
Equity in losses of unconsolidated affiliates	(44)	(14)	(1)	(94)	(153)
Other, net	(78)	143	69	6	140
Total other income and deductions	<u>(797)</u>	<u>(38)</u>	<u>55</u>	<u>(141)</u>	<u>(921)</u>
Income (loss) before income taxes, minority interest and cumulative effect of changes in accounting principles	1,834	992	(7)	(307)	2,512
Income taxes	<u>706</u>	<u>372</u>	<u>6</u>	<u>(392)</u>	<u>692</u>
Income (loss) before minority interest and cumulative effect of changes in accounting principles	1,128	620	(13)	85	1,820
Minority interest	<u>—</u>	<u>21</u>	<u>—</u>	<u>—</u>	<u>21</u>
Income (loss) before cumulative effect of changes in accounting principles	1,128	641	(13)	85	1,841
Cumulative effect of changes in accounting principles, net of income taxes	<u>—</u>	<u>32</u>	<u>(9)</u>	<u>—</u>	<u>23</u>
Net income (loss)	<u>\$ 1,128</u>	<u>\$ 673</u>	<u>\$ (22)</u>	<u>\$ 85</u>	<u>\$ 1,864</u>

	Twelve Months Ended December 31, 2003				
	Energy Delivery	Generation (a)	Enterprises (a)	Corp/Elim	Exelon Consolidated
Operating revenues	\$ 10,202	\$ 8,760	\$ 923	\$ (4,073)	\$ 15,812
Operating expenses					
Purchased power	4,178	3,630	—	(3,967)	3,841
Fuel	419	2,115	—	—	2,534
Impairment of Boston Generating, LLC long-lived assets	—	945	—	—	945
Operating and maintenance	1,669	1,886	1,027	(74)	4,508
Depreciation and amortization	873	201	24	28	1,126
Taxes other than income	440	121	11	9	581
Total operating expenses	<u>7,579</u>	<u>8,898</u>	<u>1,062</u>	<u>(4,004)</u>	<u>13,535</u>
Operating income (loss)	<u>2,623</u>	<u>(138)</u>	<u>(139)</u>	<u>(69)</u>	<u>2,277</u>
Other income and deductions					
Interest expense	(747)	(89)	(9)	(36)	(881)
Distributions on preferred securities of subsidiaries	(39)	—	—	—	(39)
Equity in earnings (losses) of unconsolidated affiliates	—	49	(5)	(11)	33
Other, net	51	(267)	(35)	(10)	(261)
Total other income and deductions	<u>(735)</u>	<u>(307)</u>	<u>(49)</u>	<u>(57)</u>	<u>(1,148)</u>
Income (loss) before income taxes, minority interest and cumulative effect of a change in accounting principle	1,888	(445)	(188)	(126)	1,129
Income taxes	<u>718</u>	<u>(190)</u>	<u>(70)</u>	<u>(127)</u>	<u>331</u>
Income (loss) before minority interest and cumulative effect of a change in accounting principle	1,170	(255)	(118)	1	798
Minority interest	<u>—</u>	<u>(4)</u>	<u>1</u>	<u>(2)</u>	<u>(5)</u>
Income (loss) before cumulative effect of a change in accounting principle	1,170	(259)	(117)	(1)	793
Cumulative effect of a change in accounting principle, net of income	<u>5</u>	<u>108</u>	<u>(1)</u>	<u>—</u>	<u>112</u>

taxes

Net income (loss)	<u>\$ 1,175</u>	<u>\$ (151)</u>	<u>\$ (118)</u>	<u>\$ (1)</u>	<u>\$ 905</u>
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(a) Effective January 1, 2004, Exelon Energy Company became part of Generation. The results for the twelve months ended December 31, 2003 have been adjusted to reflect Exelon Energy Company as part of Generation during that period.

EXELON CORPORATION
Business Segment Comparative Income Statements
(unaudited)
(in millions)

	Energy Delivery					
	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2004	2003	Variance	2004	2003	Variance
Operating revenues	\$ 2,436	\$ 2,352	\$ 84	\$ 10,290	\$ 10,202	\$ 88
Operating expenses						
Purchased power	963	887	76	4,232	4,178	54
Fuel	160	134	26	528	419	109
Operating and maintenance	386	435	(49)	1,444	1,669	(225)
Depreciation and amortization	224	214	10	928	873	55
Taxes other than income	126	84	42	527	440	87
Total operating expenses	<u>1,859</u>	<u>1,754</u>	<u>105</u>	<u>7,659</u>	<u>7,579</u>	<u>80</u>
Operating income	<u>577</u>	<u>598</u>	<u>(21)</u>	<u>2,631</u>	<u>2,623</u>	<u>8</u>
Other income and deductions						
Interest expense	(155)	(182)	27	(672)	(747)	75
Distributions on preferred securities of subsidiaries	(1)	(8)	7	(3)	(39)	36
Equity in losses of unconsolidated affiliates	(13)	—	(13)	(44)	—	(44)
Other, net	(1)	2	(3)	(78)	51	(129)
Total other income and deductions	<u>(170)</u>	<u>(188)</u>	<u>18</u>	<u>(797)</u>	<u>(735)</u>	<u>(62)</u>
Income before income taxes and cumulative effect of a change in accounting principle	407	410	(3)	1,834	1,888	(54)
Income taxes	<u>159</u>	<u>160</u>	<u>(1)</u>	<u>706</u>	<u>718</u>	<u>(12)</u>
Income before cumulative effect of a change in accounting principle	248	250	(2)	1,128	1,170	(42)
Cumulative effect of a change in accounting principle, net of income taxes	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5</u>	<u>(5)</u>
Net income	<u>\$ 248</u>	<u>\$ 250</u>	<u>\$ (2)</u>	<u>\$ 1,128</u>	<u>\$ 1,175</u>	<u>\$ (47)</u>

	Generation (a)					
	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2004	2003	Variance	2004	2003	Variance
Operating revenues	\$ 1,785	\$ 1,965	\$ (180)	\$ 7,938	\$ 8,760	\$ (822)
Operating expenses						
Purchased power	501	720	(219)	2,325	3,630	(1,305)
Fuel	417	491	(74)	1,845	2,115	(270)
Impairment of Boston Generating, LLC long-lived assets	—	—	—	—	945	(945)
Operating and maintenance	628	476	152	2,273	1,886	387
Depreciation and amortization	76	57	19	294	201	93
Taxes other than income	34	4	30	171	121	50
Total operating expenses	<u>1,656</u>	<u>1,748</u>	<u>(92)</u>	<u>6,908</u>	<u>8,898</u>	<u>(1,990)</u>
Operating income (loss)	<u>129</u>	<u>217</u>	<u>(88)</u>	<u>1,030</u>	<u>(138)</u>	<u>1,168</u>
Other income and deductions						
Interest expense	(44)	(25)	(19)	(167)	(89)	(78)
Equity in earnings (losses) of unconsolidated affiliates	(7)	(42)	35	(14)	49	(63)
Other, net	14	(28)	42	143	(267)	410
Total other income and deductions	<u>(37)</u>	<u>(95)</u>	<u>58</u>	<u>(38)</u>	<u>(307)</u>	<u>269</u>
Income (loss) before income taxes, minority interest and cumulative effect of changes in accounting principles	92	122	(30)	992	(445)	1,437
Income taxes	<u>28</u>	<u>28</u>	<u>—</u>	<u>372</u>	<u>(190)</u>	<u>562</u>
Income (loss) before minority interest and cumulative effect of changes in accounting principles	64	94	(30)	620	(255)	875
Minority interest	<u>10</u>	<u>(2)</u>	<u>12</u>	<u>21</u>	<u>(4)</u>	<u>25</u>
Income (loss) before cumulative effect of changes in accounting principles	74	92	(18)	641	(259)	900
Cumulative effect of changes in accounting principles, net of income taxes	<u>—</u>	<u>—</u>	<u>—</u>	<u>32</u>	<u>108</u>	<u>(76)</u>
Net income (loss)	<u>\$ 74</u>	<u>\$ 92</u>	<u>\$ (18)</u>	<u>\$ 673</u>	<u>\$ (151)</u>	<u>\$ 824</u>

(a) Effective January 1, 2004, Exelon Energy Company became part of Generation. Generation's results for the three and twelve months ended December 31, 2003 have been adjusted to reflect Exelon Energy Company as part of Generation during those periods.

EXELON CORPORATION
Business Segment Comparative Income Statements
(unaudited)
(in millions)

	Enterprises (a)					
	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2004	2003	Variance	2004	2003	Variance
Operating revenues	\$ 6	\$ 115	\$ (109)	\$ 155	\$ 923	\$ (768)
Operating expenses						
Operating and maintenance	22	207	(185)	211	1,027	(816)
Depreciation and amortization	—	2	(2)	1	24	(23)
Taxes other than income	—	4	(4)	5	11	(6)
Total operating expenses	<u>22</u>	<u>213</u>	<u>(191)</u>	<u>217</u>	<u>1,062</u>	<u>(845)</u>
Operating loss	<u>(16)</u>	<u>(98)</u>	<u>82</u>	<u>(62)</u>	<u>(139)</u>	<u>77</u>
Other income and deductions						
Interest expense	—	(2)	2	(13)	(9)	(4)
Equity in losses of unconsolidated affiliates	1	(4)	5	(1)	(5)	4
Other, net	(1)	(5)	4	69	(35)	104
Total other income and deductions	<u>—</u>	<u>(11)</u>	<u>11</u>	<u>55</u>	<u>(49)</u>	<u>104</u>
Loss before income taxes, minority interest and cumulative effect of changes in accounting principles	<u>(16)</u>	<u>(109)</u>	<u>93</u>	<u>(7)</u>	<u>(188)</u>	<u>181</u>
Income taxes	<u>(3)</u>	<u>(41)</u>	<u>38</u>	<u>6</u>	<u>(70)</u>	<u>76</u>
Loss before minority interest and cumulative effect of changes in accounting principles	<u>(13)</u>	<u>(68)</u>	<u>55</u>	<u>(13)</u>	<u>(118)</u>	<u>105</u>
Minority interest	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1</u>	<u>(1)</u>
Loss before cumulative effect of changes in accounting principles	<u>(13)</u>	<u>(68)</u>	<u>55</u>	<u>(13)</u>	<u>(117)</u>	<u>104</u>
Cumulative effect of changes in accounting principles, net of income taxes	<u>—</u>	<u>—</u>	<u>—</u>	<u>(9)</u>	<u>(1)</u>	<u>(8)</u>
Net loss	<u>\$ (13)</u>	<u>\$ (68)</u>	<u>\$ 55</u>	<u>\$ (22)</u>	<u>\$ (118)</u>	<u>\$ 96</u>

(a) Effective January 1, 2004, Exelon Energy Company became part of Generation. Enterprises' results for the three and twelve months ended December 31, 2003 have been adjusted to exclude the financial impact of Exelon Energy Company for those periods.

	Corporate and Eliminations					
	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2004	2003	Variance	2004	2003	Variance
Operating revenues	\$ (849)	\$ (855)	\$ 6	\$ (3,868)	\$ (4,073)	\$ 205
Operating expenses						
Purchased power	(844)	(840)	(4)	(3,830)	(3,967)	137
Fuel	(3)	1	(4)	(18)	—	(18)
Operating and maintenance	20	28	(8)	48	(74)	122
Depreciation and amortization	24	11	13	82	28	54
Taxes other than income	3	—	3	16	9	7
Total operating expenses	<u>(800)</u>	<u>(800)</u>	<u>—</u>	<u>(3,702)</u>	<u>(4,004)</u>	<u>302</u>
Operating loss	<u>(49)</u>	<u>(55)</u>	<u>6</u>	<u>(166)</u>	<u>(69)</u>	<u>(97)</u>
Other income and deductions						
Interest expense	(17)	(12)	(5)	(53)	(36)	(17)
Equity in losses of unconsolidated affiliates	(36)	(3)	(33)	(94)	(11)	(83)
Other, net	7	(5)	12	6	(10)	16
Total other income and deductions	<u>(46)</u>	<u>(20)</u>	<u>(26)</u>	<u>(141)</u>	<u>(57)</u>	<u>(84)</u>
Loss before income taxes and minority interest	<u>(95)</u>	<u>(75)</u>	<u>(20)</u>	<u>(307)</u>	<u>(126)</u>	<u>(181)</u>
Income taxes	<u>(149)</u>	<u>(74)</u>	<u>(75)</u>	<u>(392)</u>	<u>(127)</u>	<u>(265)</u>
Income (loss) before minority interest	<u>54</u>	<u>(1)</u>	<u>55</u>	<u>85</u>	<u>1</u>	<u>84</u>
Minority interest	<u>—</u>	<u>1</u>	<u>(1)</u>	<u>—</u>	<u>(2)</u>	<u>2</u>
Net income (loss)	<u>\$ 54</u>	<u>\$ —</u>	<u>\$ 54</u>	<u>\$ 85</u>	<u>\$ (1)</u>	<u>\$ 86</u>

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

	December 31, 2004	December 31, 2003
Current assets		
Cash and cash equivalents	\$ 528	\$ 493
Restricted cash and investments	31	97
Accounts receivable, net		
Customers	1,649	1,567
Other	409	676
Mark-to-market derivative assets	403	337
Inventories — fossil fuel	230	212
Inventories — materials and supplies	312	310
Notes receivable from affiliate	—	92
Deferred income taxes	68	122
Assets held for sale	—	242
Other	296	413
Total current assets	3,926	4,561
Property, plant and equipment, net	21,482	20,630
Deferred debits and other assets		
Regulatory assets	4,790	5,226
Nuclear decommissioning trust funds	5,262	4,721
Investments	804	955
Goodwill	4,705	4,719
Mark-to-market derivative assets	383	133
Other	1,418	991
Total deferred debits and other assets	17,362	16,745
Total assets	\$ 42,770	\$ 41,936
Liabilities and shareholders' equity		
Current liabilities		
Commercial paper	\$ 490	\$ 326
Notes payable to Sithe Energies, Inc.	—	90
Long-term debt due within one year	427	1,385
Long-term debt to ComEd Transitional Funding Trust and PECO Energy Transition Trust due within one year	486	470
Accounts payable	1,255	1,238
Mark-to-market derivative liabilities	598	584
Accrued expenses	1,143	1,260
Liabilities held for sale	—	61
Other	483	306
Total current liabilities	4,882	5,720
Long-term debt	7,292	7,889
Long-term debt to ComEd Transitional Funding Trust and PECO Energy Transition Trust	4,311	5,055
Long-term debt to other financing trusts	545	545
Deferred credits and other liabilities		
Deferred income taxes	4,488	4,320
Unamortized investment tax credits	275	288
Asset retirement obligation	3,981	2,997
Pension obligations	1,993	1,668
Non-pension postretirement benefits obligations	1,065	1,053
Spent nuclear fuel obligation	878	867
Regulatory liabilities	2,204	1,891
Mark-to-market derivative liabilities	323	141
Other	981	912
Total deferred credits and other liabilities	16,188	14,137
Total liabilities	33,218	33,346
Minority interest of consolidated subsidiaries	42	—
Preferred securities of subsidiaries	87	87
Shareholders' equity		
Common stock	7,598	7,292
Treasury stock, at cost	(82)	—

Retained earnings	3,353	2,320
Accumulated other comprehensive loss	<u>(1,446)</u>	<u>(1,109)</u>
Total shareholders' equity	<u>9,423</u>	<u>8,503</u>
Total liabilities and shareholders' equity	<u>\$ 42,770</u>	<u>\$ 41,936</u>

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

	Twelve Months Ended December 31,	
	2004	2003
Cash flows from operating activities		
Net income	\$ 1,864	\$ 905
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation, amortization and accretion, including nuclear fuel	1,933	1,677
Other decommissioning-related activities	169	41
Cumulative effect of changes in accounting principles (net of income taxes)	(23)	(112)
Impairment of investments	10	309
Impairment of goodwill and other long-lived assets	1	990
Deferred income taxes and amortization of investment tax credits	202	(36)
Provision for uncollectible accounts	87	94
Equity in losses (earnings) of unconsolidated affiliates	153	(33)
Losses (gains) on sales of investments and wholly owned subsidiaries	(162)	25
Net realized losses (gains) on nuclear decommissioning trust funds	(72)	16
Other operating activities	(32)	19
Changes in assets and liabilities:		
Receivables	183	(100)
Inventories	(60)	(54)
Other current assets	87	(68)
Accounts payable, accrued expenses and other current liabilities	160	(144)
Net realized and unrealized mark-to-market and hedging transactions	49	(10)
Pension and non-pension postretirement benefit obligations	(270)	(144)
Other noncurrent assets and liabilities	119	9
Net cash flows provided by operating activities	<u>4,398</u>	<u>3,384</u>
Cash flows from investing activities		
Capital expenditures	(1,921)	(1,954)
Proceeds from liquidated damages	—	92
Proceeds from nuclear decommissioning trust fund sales	2,320	2,341
Investment in nuclear decommissioning trust funds	(2,587)	(2,564)
Collection of other notes receivable	59	35
Proceeds from sales of investments and wholly owned subsidiaries	329	263
Proceeds from sales of long-lived assets	52	10
Acquisitions of businesses, net of cash acquired	—	(272)
Investment in synthetic fuel-producing facilities	(56)	—
Change in restricted cash	55	(92)
Net cash increase from consolidation of Sithe Energies, Inc.	19	—
Other investing activities	(6)	32
Net cash flows used in investing activities	<u>(1,736)</u>	<u>(2,109)</u>
Cash flows from financing activities		
Issuance of long-term debt	232	3,015
Retirement of long-term debt	(1,629)	(2,922)
Issuance of long-term debt to financing affiliate	—	103
Retirement of long-term debt to financing affiliates	(728)	—
Change in short-term debt	164	(355)
Issuance of mandatorily redeemable preferred securities	—	200
Retirement of mandatorily redeemable preferred securities	—	(250)
Retirement of preferred stock of subsidiaries	—	(50)
Payment on acquisition note payable to Sithe Energies, Inc.	(27)	(446)
Dividends paid on common stock	(831)	(620)
Proceeds from employee stock plans	240	181
Purchase of treasury stock	(82)	—
Other financing activities	34	(96)
Net cash flows used in financing activities	<u>(2,627)</u>	<u>(1,240)</u>
Increase in cash and cash equivalents	35	35
Cash and cash equivalents at beginning of period	493	469
Cash and cash equivalents, including cash classified as held for sale	528	504
Cash classified as held for sale on the consolidated balance sheet	—	(11)
Cash and cash equivalents at end of period	<u>\$ 528</u>	<u>\$ 493</u>

EXELON CORPORATION
Reconciliation of Adjusted (non-GAAP) Operating Earnings to GAAP Consolidated Statements of Income
(unaudited)
(in millions, except per share data)

	Three Months Ended December 31, 2004			Three Months Ended December 31, 2003		
	GAAP (a)	Adjustments	Adjusted Non-GAAP	GAAP (a)	Adjustments	Adjusted Non-GAAP
Operating revenues	\$ 3,378	\$ —	\$ 3,378	\$ 3,577	\$ —	\$ 3,577
Operating expenses						
Purchased power	620	—	620	767	—	767
Fuel	574	—	574	626	—	626
Operating and maintenance	1,056	(71)(b),(c),(d),(e),(f)	985	1,146	(139)(d),(h),(i)	1,007
Depreciation and amortization	324	(16)(c)	308	284	—	284
Taxes other than income	163	—	163	92	—	92
Total operating expenses	<u>2,737</u>	<u>(87)</u>	<u>2,650</u>	<u>2,915</u>	<u>(139)</u>	<u>2,776</u>
Operating income	<u>641</u>	<u>87</u>	<u>728</u>	<u>662</u>	<u>139</u>	<u>801</u>
Other income and deductions						
Interest expense	(216)	4(c)	(212)	(221)	—	(221)
Distributions on preferred securities of subsidiaries	(1)	—	(1)	(8)	—	(8)
Equity in losses of unconsolidated affiliates	(55)	36(c)	(19)	(49)	1(d)	(48)
Other, net	19	24(g)	43	(36)	32(e),(i)	(4)
Total other income and deductions	<u>(253)</u>	<u>64</u>	<u>(189)</u>	<u>(314)</u>	<u>33</u>	<u>(281)</u>
Income before income taxes and minority interest	388	151	539	348	172	520
Income taxes	35	124(c),(e)	159	73	64	137
Income before minority interest	353	27	380	275	108	383
Minority interest	10	1(e)	11	(1)	—	(1)
Net income	<u>\$ 363</u>	<u>\$ 28</u>	<u>\$ 391</u>	<u>\$ 274</u>	<u>\$ 108</u>	<u>\$ 382</u>
Earnings per average common share						
Basic:	\$ 0.55	\$ 0.04	\$ 0.59	\$ 0.42	\$ 0.17	\$ 0.59
Diluted:	\$ 0.54	\$ 0.04	\$ 0.58	\$ 0.41	\$ 0.17	\$ 0.58
Average common shares outstanding						
Basic	664		664	655		655
Diluted	672		672	661		661
Effect of adjustments on earnings per average diluted common share recorded in accordance with GAAP:						
Investments in synthetic fuel-producing facilities		\$ 0.04			\$ —	
Exelon Way severance and severance-related charges		(0.03)			(0.09)	
Losses associated with debt retirements		(0.02)			—	
Charges associated with Generation's investment in Sithe Energies, Inc.		(0.02)			(0.02)	
Charges associated with Exelon's anticipated merger with Public Service Enterprise Group Inc.		(0.01)			—	
Enterprises' Services goodwill impairment		—			(0.03)	
Enterprises' impairments due to anticipated sale		—			(0.03)	
Total adjustments		<u>\$ (0.04)</u>			<u>\$ (0.17)</u>	

- (a) Results reported in accordance with accounting principles generally accepted in the United States (GAAP).
- (b) Adjustment to exclude the 2004 financial impact of Boston Generating, LLC.
- (c) Adjustment to exclude the financial impact of Exelon's investments in synthetic fuel-producing facilities.
- (d) Adjustment to exclude severance and severance-related charges associated with The Exelon Way.
- (e) Adjustment to exclude charges associated with Generation's investment in Sithe Energies, Inc.
- (f) Adjustment to exclude transactional costs associated with Exelon's anticipated merger with Public Service Enterprise Group Inc.
- (g) Adjustment to exclude losses associated with debt retirements at ComEd.
- (h) Adjustment for Enterprises' goodwill impairment charge at Exelon Services Inc. (Services) recorded during the fourth quarter of 2003.
- (i) Adjustments for Enterprises' impairment charges due to anticipated sales recorded during 2003, including long-lived and other asset impairments at Services, impairment of assets associated with a communications investment, and an impairment of an equity method investment held by Exelon Thermal Holdings, Inc.

EXELON CORPORATION
Reconciliation of Adjusted (non-GAAP) Operating Earnings to GAAP Consolidated Statements of Income

(unaudited)
(in millions, except per share data)

	Twelve Months Ended December 31, 2004			Twelve Months Ended December 31, 2003		
	GAAP (a,b)	Adjustments	Adjusted Non-GAAP	GAAP (a)	Adjustments	Adjusted Non-GAAP
Operating revenues	\$ 14,515	\$ (248)(c)	\$ 14,267	\$ 15,812	\$ —	\$ 15,812
Operating expenses						
Purchased power	2,727	(222)(c)	2,505	3,841	—	3,841
Fuel	2,355	—	2,355	2,534	—	2,534
Impairment of Boston Generating, LLC long-lived assets	—	—	—	945	(945)(k)	—
Operating and maintenance	3,976	(207)(c),(d),(e),(f),(g),(h)	3,769	4,508	(350)(e),(l),(m),(n)	4,158
Depreciation and amortization	1,305	(57)(c),(d)	1,248	1,126	—	1,126
Taxes other than income	719	(9)(c)	710	581	74(o)	655
Total operating expenses	<u>11,082</u>	<u>(495)</u>	<u>10,587</u>	<u>13,535</u>	<u>(1,221)</u>	<u>12,314</u>
Operating income	<u>3,433</u>	<u>247</u>	<u>3,680</u>	<u>2,277</u>	<u>1,221</u>	<u>3,498</u>
Other income and deductions						
Interest expense	(905)	23(c),(d)	(882)	(881)	—	(881)
Distributions on preferred securities of subsidiaries	(3)	—	(3)	(39)	—	(39)
Equity in earnings (losses) of unconsolidated affiliates	(153)	84(d)	(69)	33	4(e)	37
Other, net	140	40(c),(i)	180	(261)	276(f),(l),(n)	15
Total other income and deductions	<u>(921)</u>	<u>147</u>	<u>(774)</u>	<u>(1,148)</u>	<u>280</u>	<u>(868)</u>
Income before income taxes, minority interest and cumulative effect of changes in accounting principles	2,512	394	2,906	1,129	1,501	2,630
Income taxes	692	368(d),(f)	1,060	331	580	911
Income before minority interest and cumulative effect of changes in accounting principles	1,820	26	1,846	798	921	1,719
Minority interest	21	1(f)	22	(5)	—	(5)
Income before cumulative effect of changes in accounting principles	1,841	27	1,868	793	921	1,714
Cumulative effect of changes in accounting principles, net of income taxes	23	(32)(j)	(9)	112	(112)(p)	—
Net income	<u>\$ 1,864</u>	<u>\$ (5)</u>	<u>\$ 1,859</u>	<u>\$ 905</u>	<u>\$ 809</u>	<u>\$ 1,714</u>
Earnings per average common share						
Basic:						
Income before cumulative effect of changes in accounting principles	\$ 2.79	\$ 0.05	\$ 2.84	\$ 1.22	\$ 1.41	\$ 2.63
Cumulative effect of changes in accounting principles, net of income taxes	0.03	(0.05)	(0.02)	0.17	(0.17)	—
Net income	<u>\$ 2.82</u>	<u>\$ —</u>	<u>\$ 2.82</u>	<u>\$ 1.39</u>	<u>\$ 1.24</u>	<u>\$ 2.63</u>
Diluted:						
Income before cumulative effect of changes in accounting principles	\$ 2.75	\$ 0.05	\$ 2.80	\$ 1.21	\$ 1.40	\$ 2.61
Cumulative effect of changes in accounting principles, net of income taxes	0.03	(0.05)	(0.02)	0.17	(0.17)	—
Net income	<u>\$ 2.78</u>	<u>\$ —</u>	<u>\$ 2.78</u>	<u>\$ 1.38</u>	<u>\$ 1.23</u>	<u>\$ 2.61</u>
Average common shares outstanding						
Basic	661		661	651		651
Diluted	669		669	657		657
Effect of adjustments on earnings per average diluted common share recorded in accordance with GAAP:						
Losses associated with debt retirements		\$ (0.12)			\$ —	
Investments in synthetic fuel-producing facilities		0.10			—	
Exelon Way severance and severance-related charges		(0.07)			(0.24)	
Cumulative effect pursuant to FIN No. 46-R		0.05			—	
Settlement associated with the storage of spent fuel		0.04			—	
2004 financial impact of Boston Generating, LLC		0.03			—	
Charges associated with Generation's investment in Sithe Energies, Inc.		(0.02)			(0.27)	
Charges associated with Exelon's anticipated merger with Public Service Enterprise Group Inc.		(0.01)			—	
2003 impairment of Boston Generating, LLC long-lived assets		—			(0.87)	
Cumulative effect of adopting SFAS No. 143		—			0.17	
Property tax accrual reductions		—			0.07	
Enterprises' Services goodwill impairment		—			(0.03)	
Enterprises' impairments due to anticipated sale		—			(0.03)	
March 3, 2003 ComEd Settlement Agreement		—			(0.03)	
Total adjustments		<u>\$ —</u>			<u>\$ (1.23)</u>	

- (a) Results reported in accordance with accounting principles generally accepted in the United States (GAAP).
- (b) Consolidated results for the twelve months ended December 31, 2004 include a \$24 million reduction in net periodic postretirement benefit cost due to the early adoption of FSP FAS 106-2 in the second quarter of 2004, including \$6 million related to the three months ended March 31, 2004. Previously reported financial information for the three months ended March 31, 2004 will be adjusted when presented for comparative purposes in future periods.
- (c) Adjustment to exclude the 2004 financial impact of Boston Generating, LLC.
- (d) Adjustment to exclude the financial impact of Exelon's investments in synthetic fuel-producing facilities.
- (e) Adjustment to exclude severance and severance-related charges associated with The Exelon Way.
- (f) Adjustments for impairments and other charges associated with Generation's investment in Sithe Energies, Inc.

- (g) Adjustment to exclude transactional costs associated with Exelon's anticipated merger with Public Service Enterprise Group Inc.
- (h) Adjustment for a settlement gain related to the storage of spent nuclear fuel.
- (i) Adjustment to exclude losses associated with debt retirements at ComEd.
- (j) Adjustment for the cumulative effect of adopting FIN No. 46-R.
- (k) Adjustment for the impairment of Boston Generating, LLC's long-lived assets recorded during the third quarter of 2003.
- (l) Adjustment for the March 3, 2003 ComEd Settlement Agreement.
- (m) Adjustment for Enterprises' goodwill impairment charge at Exelon Services Inc. (Services) recorded during the fourth quarter of 2003.
- (n) Adjustments for Enterprises' impairment charges due to anticipated sales recorded during 2003, including long-lived and other asset impairments at Services, impairment of assets associated with a communications investment, and an impairment of an equity method investment held by Exelon Thermal Holdings, Inc.
- (o) Adjustment for a reduction of property tax accruals at PECO and Generation recorded during the third quarter of 2003.
- (p) Adjustment for the cumulative effect of adopting SFAS No. 143.

EXELON CORPORATION
Reconciliation of Adjusted (non-GAAP) Operating Earnings
Per Diluted Share to GAAP Earnings Per Diluted Share
Three Months Ended December 31, 2004 and 2003

2003 GAAP Earnings per Diluted Share	\$ 0.41
 2003 Adjusted (non-GAAP) Operating Earnings Adjustments:	
Exelon Way Severance and Severance-Related Charges (1)	0.09
Enterprises' Services Goodwill Impairment (2)	0.03
Enterprises' Impairments Due to Anticipated Sale (3)	0.03
Charge Associated with Generation's Investment in Sithe Energies, Inc. (4)	0.02
2003 Adjusted (non-GAAP) Operating Earnings	0.58
 Year Over Year Effects on Earnings:	
Energy Margins:	
Weather	—
Energy Delivery, Excluding Weather (5)	(0.02)
Generation, Excluding Mark-to-Market (6)	0.03
Mark-to-Market	(0.03)
Higher Taxes Other Than Income (7)	(0.07)
Acquisition of Remaining 50% of AmerGen (8)	0.05
Financial Impact of Enterprises (9)	0.02
Lower Interest Expense (10)	0.01
Higher Depreciation and Amortization Expense (11)	(0.01)
Operating and Maintenance Expense (12)	—
Boston Generating, LLC 2003 Impact (13)	0.02
2004 Adjusted (non-GAAP) Operating Earnings	0.58
 2004 Adjusted (non-GAAP) Operating Earnings Adjustments:	
Investments in Synthetic Fuel-Producing Facilities (14)	0.04
Exelon Way Severance and Severance-Related Charges (1)	(0.03)
Losses Associated with Debt Retirements (15)	(0.02)
Charges Associated with Generation's Investment in Sithe Energies, Inc. (4)	(0.02)
Charges Associated with Exelon's Anticipated Merger with Public Service Enterprise Group Inc. (16)	(0.01)
2004 GAAP Earnings per Diluted Share	\$ 0.54

- (1) Reflects severance and severance-related charges recorded during 2003 and 2004 associated with The Exelon Way.
- (2) Reflects Enterprises' goodwill impairment charge at Exelon Services Inc. (Services) recorded during the fourth quarter of 2003.
- (3) Reflects Enterprises' impairment charges recorded during the fourth quarter of 2003, including long-lived and other asset impairments at Services, impairment of assets associated with a communications investment, and an impairment of an equity method investment held by Exelon Thermal Holdings, Inc.
- (4) Reflects charges associated with Generation's investment in Sithe Energies, Inc. recorded during the fourth quarters of 2003 and 2004.
- (5) Reflects unfavorable pricing and rate mix, partially offset by increased electric weather-normalized volume at Energy Delivery.
- (6) Reflects increased energy margins at Generation, excluding the effects of AmerGen, Sithe, Boston Generating, and mark-to-market, primarily due to the favorable impacts of Generation's forward hedging program and lower fuel costs compared to 2003.
- (7) Reflects higher taxes other than income, primarily due to a favorable 2003 settlement related to coal use tax at ComEd and higher property and capital stock taxes at Generation. Excludes the effects of Enterprises, AmerGen, Sithe and Boston Generating.
- (8) Reflects the impact on net income of the acquisition of the remaining 50% of AmerGen.
- (9) Reflects the impact on net income of Enterprises, excluding goodwill and other impairment charges recorded during 2003 and severance and severance-related charges associated with The Exelon Way recorded during 2003 and 2004.
- (10) Reflects lower interest expense at Energy Delivery due to debt retirements. Excludes the effects of Enterprises, AmerGen, Sithe, Boston Generating and investments in synthetic fuel-producing facilities.
- (11) Reflects higher depreciation and amortization expense due to capital additions and assets placed into service in addition to higher CTC amortization at PECO. Excludes the effects of Enterprises, AmerGen, Sithe, Boston Generating and investments in synthetic fuel-producing facilities.
- (12) Excludes the effects of decommissioning, Enterprises, AmerGen, Sithe, Boston Generating, investments in synthetic fuel-producing facilities, Exelon Way severance and severance-related charges and transactional costs associated with Exelon's anticipated merger with Public Service Enterprise Group Inc.

- (13) Reflects the 2003 financial impact of Boston Generating.
- (14) Reflects the financial impact of Exelon's investments in synthetic fuel-producing facilities.
- (15) Reflects losses associated with debt retirements at ComEd.
- (16) Reflects external costs incurred prior to the announcement of Exelon's proposed merger with Public Service Enterprise Group Inc.

EXELON CORPORATION
Reconciliation of Adjusted (non-GAAP) Operating Earnings
Per Diluted Share to GAAP Earnings Per Diluted Share
Twelve Months Ended December 31, 2004 and 2003

2003 GAAP Earnings per Diluted Share **\$ 1.38**

2003 Adjusted (non-GAAP) Operating Earnings Adjustments:

Boston Generating, LLC Long-Lived Assets Impairment (1)	0.87
Impairment and Other Charges Associated with Generation's Investment in Sithe Energies, Inc. (2)	0.27
Exelon Way Severance and Severance-Related Charges (3)	0.24
Cumulative Effect of Adopting SFAS No. 143	(0.17)
Property Tax Accrual Reductions (4)	(0.07)
Enterprises' Services Goodwill Impairment (5)	0.03
Enterprises' Impairments Due to Anticipated Sale (6)	0.03
March 3, 2003 ComEd Settlement Agreement (7)	0.03
	<u>2.61</u>

2003 Adjusted (non-GAAP) Operating Earnings **2.61**

Year Over Year Effects on Earnings:

Energy Margins:	
CTC (8)	(0.12)
Weather (9)	(0.09)
Energy Delivery, Excluding CTC Recoveries and Weather (10)	0.14
Generation, Excluding Mark-to-Market (11)	0.13
Mark-to-Market	—
Acquisition of Remaining 50% of AmerGen (12)	0.11
Lower Operating and Maintenance Expense (13)	0.07
Higher Depreciation and Amortization Expense (14)	(0.07)
Financial Impact of Enterprises (15)	0.07
Higher Taxes Other Than Income (16)	(0.06)
Lower Interest Expense (17)	0.05
Share Differential (18)	(0.05)
Financial Impact of Sithe (19)	(0.03)
Boston Generating, LLC 2003 Impact (20)	0.02
	<u>2.78</u>

2004 Adjusted (non-GAAP) Operating Earnings **2.78**

2004 Adjusted (non-GAAP) Operating Earnings Adjustments:

Losses Associated with Debt Retirements (21)	(0.12)
Investments in Synthetic Fuel-Producing Facilities (22)	0.10
Exelon Way Severance and Severance-Related Charges (3)	(0.07)
Cumulative Effect of Adopting FIN No. 46-R	0.05
Settlement Associated with the Storage of Spent Fuel (23)	0.04
Boston Generating, LLC 2004 Impact (24)	0.03
Charges Associated with Generation's Investment in Sithe Energies, Inc. (2)	(0.02)
Charges Associated with Exelon's Anticipated Merger with Public Service Enterprise Group Inc. (25)	(0.01)
	<u>2.78</u>

2004 GAAP Earnings per Diluted Share **\$ 2.78**

- (1) Reflects an impairment of the long-lived assets of Boston Generating, LLC recorded during the third quarter of 2003.
- (2) Reflects impairments and other charges associated with Generation's investment in Sithe Energies, Inc. recorded during the first, third and fourth quarters of 2003 and the fourth quarter of 2004.
- (3) Reflects severance and severance-related charges recorded during 2003 and 2004 associated with The Exelon Way.
- (4) Reflects the reduction of certain property tax accruals at PECO and Generation recorded during the third quarter of 2003.
- (5) Reflects Enterprises' goodwill impairment charge at Exleon Services Inc. (Services) recorded during the fourth quarter of 2003.
- (6) Reflects Enterprises' impairment charges recorded during the fourth quarter of 2003, including long-lived and other asset impairments at Services, impairment of assets associated with a communications investment, and an impairment of an equity method investment held by Exelon Thermal Holdings, Inc.
- (7) Reflects the March 3, 2003 ComEd Settlement Agreement, an agreement reached during the first quarter of 2003 by ComEd and various Illinois suppliers, customers and governmental parties, regarding several matters affecting ComEd's rates for electric service.
- (8) Reflects a decrease in the CTC rates recovered by ComEd due to increased wholesale market prices of electricity and other adjustments to the energy component.
- (9) Reflects unfavorable weather conditions in the ComEd and PECO service territories in 2004 as compared to 2003, primarily due to milder weather.
- (10) Reflects increased electric weather-normalized volume at Energy Delivery, partially offset by unfavorable rate mix and decreased revenues due to

customers purchasing energy from alternative electric suppliers or the ComEd PPO.

- (11) Reflects increased energy margins at Generation, excluding the effects of AmerGen, Sithe, Boston Generating, and mark-to-market, primarily due to a decrease in capacity payments to Midwest Generation and forward hedging of fuel at lower costs than realized in 2003, partially offset by lower average realized sales to Energy Delivery primarily due to milder than normal weather.
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- (12) Reflects the impact on net income of the acquisition of the remaining 50% of AmerGen.
- (13) Reflects decreased operating and maintenance expenses primarily due to a favorable legal settlement reached by Generation during the fourth quarter of 2004, cost savings related to The Exelon Way program and reduced storm costs, partially offset by increased outage costs. Excludes the effects of decommissioning, Enterprises, AmerGen, Sithe, Boston Generating, investments in synthetic fuel-producing facilities, a spent fuel settlement, Exelon Way severance and severance-related charges, the March 3, 2003 ComEd Settlement Agreement and transactional costs associated with Exelon's anticipated merger with Public Service Enterprise Group Inc.
- (14) Reflects higher depreciation and amortization expense due to capital additions and assets placed into service in addition to higher CTC amortization at PECO. Excludes the effects of Enterprises, AmerGen, Sithe, Boston Generating and investments in synthetic fuel-producing facilities.
- (15) Reflects the impact on net income of Enterprises, excluding goodwill and other impairment charges recorded during 2003 and severance and severance-related charges associated with The Exelon Way recorded during 2003 and 2004, due to gains recognized in 2004 related to the sale of the Chicago Thermal operations, PECO Telcove and certain businesses of Exelon Services, Inc.
- (16) Reflects higher taxes other than income, primarily due to a favorable 2003 settlement related to coal use tax at ComEd, a favorable 2003 settlement related to use tax at PECO and higher real estate taxes and capital stock taxes at Generation. Excludes the effects of Enterprises, AmerGen, Sithe and Boston Generating.
- (17) Reflects lower interest expense at Energy Delivery due to refinancing of existing debt at lower rates, debt retirements and scheduled principal payments. Excludes the effects of Enterprises, AmerGen, Sithe, Boston Generating and investments in synthetic fuel-producing facilities.
- (18) Reflects dilution in earnings per share due to increased diluted common shares outstanding.
- (19) Reflects the impact on net income of Generation's investment in Sithe, excluding certain impairment and other charges recorded during the first, third and fourth quarters of 2003 and the fourth quarter of 2004.
- (20) Reflects the 2003 financial impact of Boston Generating.
- (21) Reflects losses associated with debt retirements at ComEd.
- (22) Reflects the financial impact of Exelon's investments in synthetic fuel-producing facilities.
- (23) Reflects a settlement gain related to the storage of spent nuclear fuel.
- (24) Reflects the 2004 financial impact of Boston Generating.
- (25) Reflects external costs incurred prior to the announcement of Exelon's proposed merger with Public Service Enterprise Group Inc.

EXELON CORPORATION
Electric Sales Statistics

(in GWhs)	Three Months Ended December 31,		
	2004	2003	% Change
Supply			
Nuclear, excluding AmerGen in 2003	33,653	28,400	18.5%
Purchased Power — Generation (a)	11,810(b)	19,679	(40.0)%
Fossil, excluding Sithe Energies, and Hydro	2,646	6,269	(57.8)%
Power Team Supply	48,109	54,348	(11.5)%
Purchased Power — Other	159	230	(30.9)%
Total Electric Supply Available for Sale	48,268	54,578	(11.6)%
Less: Line Loss and Company Use	(2,541)	(3,015)	(15.7)%
Total Supply	<u>45,727</u>	<u>51,563</u>	(11.3)%

Energy Sales

Retail Sales	31,512	30,610	2.9%
Power Team Market Sales (a)	19,824(b)	26,390	(24.9)%
Interchange Sales and Sales to Other Utilities	570	477	19.5%
	51,906	57,477	(9.7)%
Less: Distribution Only Sales	(6,179)	(5,914)	4.5%
Total Energy Sales	<u>45,727</u>	<u>51,563</u>	(11.3)%

(in GWhs)	Twelve Months Ended December 31,		
	2004	2003	% Change
Supply			
Nuclear, excluding AmerGen in 2003	136,621	117,502	16.3%
Purchased Power — Generation (a)	48,968(b)	83,692	(41.5)%
Fossil, excluding Sithe Energies, and Hydro	17,010	24,310	(30.0)%
Power Team Supply	202,599	225,504	(10.2)%
Purchased Power — Other	585	659	(11.2)%
Total Electric Supply Available for Sale	203,184	226,163	(10.2)%
Less: Line Loss and Company Use	(9,264)	(9,034)	2.5%
Total Supply	<u>193,920</u>	<u>217,129</u>	(10.7)%

Energy Sales

Retail Sales	130,945	127,758	2.5%
Power Team Market Sales (a)	86,049(b)	107,267	(19.8)%
Interchange Sales and Sales to Other Utilities	2,470	2,556	(3.4)%
	219,464	237,581	(7.6)%
Less: Distribution Only Sales	(25,544)	(20,452)	24.9%
Total Energy Sales	<u>193,920</u>	<u>217,129</u>	(10.7)%

(a) Purchased power and market sales do not include trading volume of 6,432 GWhs and 4,052 GWhs for the three months ended December 31, 2004 and 2003, respectively, and 24,001 GWhs and 32,584 GWhs for the twelve months ended December 31, 2004 and 2003, respectively.

(b) Purchased power and market sales reflect the adoption of EITF 03-11, which required certain energy transactions to be netted. The adoption of this standard resulted in a reduction of 6,907 GWhs and 25,464 GWhs for the three and twelve months ended December 31, 2004, respectively.

EXELON CORPORATION
Energy Delivery Sales Statistics
Three Months Ended December 31, 2004 and 2003

Electric Deliveries (in GWhs)	ComEd			PECO		
	2004	2003	% Change	2004	2003	% Change
Full Service (a)						
Residential	6,224	5,959	4.4%	2,427	2,635	(7.9)%
Small Commercial & Industrial	4,953	5,052	(2.0)%	1,568	1,559	0.6%
Large Commercial & Industrial	1,792	1,216	47.4%	3,639	3,549	2.5%
Public Authorities & Electric Railroads	568	1,107	(48.7)%	228	205	11.2%
Total Full Service	13,537	13,334	1.5%	7,862	7,948	(1.1)%

PPO (ComEd Only)						
Small Commercial & Industrial	941	772	21.9%			
Large Commercial & Industrial	1,439	702	105.0%			
Public Authorities & Electric Railroads	96	428	(77.6)%			
	2,476	1,902	30.2%			

Delivery Only (b)						
Residential	(d)	(d)		452	192	135.4%
Small Commercial & Industrial	1,701	1,679	1.3%	385	411	(6.3)%
Large Commercial & Industrial	3,305	3,015	9.6%	191	170	12.4%
Public Authorities & Electric Railroads	145	447	(67.6)%	—	—	
	5,151	5,141	0.2%	1,028	773	33.0%
Total PPO and Delivery Only	7,627	7,043	8.3%	1,028	773	33.0%
Total Retail Deliveries	21,164	20,377	3.9%	8,890	8,721	1.9%

Gas Deliveries (mmcf) (PECO only)				25,557	24,125	5.9%
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Revenue (in millions)						
Full Service (a)						
Residential	\$ 515	\$ 494	4.3%	\$ 296	\$ 322	(8.1)%
Small Commercial & Industrial	372	378	(1.6)%	169	169	0.0%
Large Commercial & Industrial	84	64	31.3%	272	264	3.0%
Public Authorities & Electric Railroads	36	69	(47.8)%	21	19	10.5%
Total Full Service	1,007	1,005	0.2%	758	774	(2.1)%

PPO (ComEd Only) (c)						
Small Commercial & Industrial	62	51	21.6%			
Large Commercial & Industrial	77	40	92.5%			
Public Authorities & Electric Railroads	5	22	(77.3)%			
	144	113	27.4%			

Delivery Only (b)						
Residential	(d)	(d)		34	13	161.5%
Small Commercial & Industrial	31	33	(6.1)%	19	20	(5.0)%
Large Commercial & Industrial	45	42	7.1%	5	5	0.0%
Public Authorities & Electric Railroads	3	8	(62.5)%	—	—	
	79	83	(4.8)%	58	38	52.6%
Total PPO and Delivery Only	223	196	13.8%	58	38	52.6%
Total Retail Electric Revenue	1,230	1,201	2.4%	816	812	0.5%

Wholesale and Miscellaneous Revenue (e)	114	91	25.3%	52	52	0.0%
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Gas Revenue (PECO only)	n/a	n/a		224	196	14.3%
Total Revenues	\$ 1,344	\$ 1,292	4.0%	\$ 1,092	\$ 1,060	3.0%

Heating and Cooling Degree-Days	2004	2003	Normal	2004	2003	Normal
Heating Degree-Days	2,077	2,116	2,311	1,588	1,573	1,671
Cooling Degree-Days	5	2	10	2	8	19

- (a) Full service reflects deliveries to customers taking electric service under tariffed rates, which include the cost of energy and the delivery cost of the transmission and distribution of the energy. PECO's tariffed rates also include a competitive transition charge (CTC).
- (b) Delivery only service reflects customers electing to receive electric generation service from an alternative energy supplier. Revenue from customers choosing an alternative energy supplier includes a distribution charge and a CTC.
- (c) Revenue from customers choosing ComEd's PPO includes an energy charge at market rates, transmission and distribution charges and a CTC.
- (d) All ComEd residential customers are eligible to choose their supplier of electricity; however, as of December 31, 2004, no alternative electric supplier has

approval from the Illinois Commerce Commission and no electric utilities have chosen to enter the ComEd residential market for the supply of electricity.

- (e) Wholesale and miscellaneous revenue includes transmission revenue from PJM and prior to ComEd's full integration into PJM on May 1, 2004, ComEd's transmission charges received from alternative energy suppliers.

n/a — not applicable

EXELON CORPORATION
Energy Delivery Sales Statistics
Twelve Months Ended December 31, 2004 and 2003

Electric Deliveries (in GWhs)	ComEd			PECO		
	2004	2003	% Change	2004	2003	% Change
Full Service (a)						
Residential	26,463	26,206	1.0%	10,349	11,358	(8.9)%
Small Commercial & Industrial	20,186	21,541	(6.3)%	6,728	6,624	1.6%
Large Commercial & Industrial	6,061	5,921	2.4%	14,908	14,739	1.1%
Public Authorities & Electric Railroads	4,221	5,125	(17.6)%	914	897	1.9%
Total Full Service	56,931	58,793	(3.2)%	32,899	33,618	(2.1)%
PPO (ComEd Only)						
Small Commercial & Industrial	3,594	3,318	8.3%			
Large Commercial & Industrial	4,223	4,348	(2.9)%			
Public Authorities & Electric Railroads	1,670	1,925	(13.2)%			
	9,487	9,591	(1.1)%			
Delivery Only (b)						
Residential	(d)	(d)		2,158	900	139.8%
Small Commercial & Industrial	7,107	6,006	18.3%	1,687	1,455	15.9%
Large Commercial & Industrial	12,422	9,909	25.4%	760	780	(2.6)%
Public Authorities & Electric Railroads	1,410	1,402	0.6%	—	—	
	20,939	17,317	20.9%	4,605	3,135	46.9%
Total PPO and Delivery Only	30,426	26,908	13.1%	4,605	3,135	46.9%
Total Retail Deliveries	87,357	85,701	1.9%	37,504	36,753	2.0%
Gas Deliveries (mmcf) (PECO only)				87,097	88,262	(1.3)%
Revenue (in millions)						
Full Service (a)						
Residential	\$ 2,295	\$ 2,272	1.0%	\$ 1,317	\$ 1,444	(8.8)%
Small Commercial & Industrial	1,604	1,667	(3.8)%	756	753	0.4%
Large Commercial & Industrial	290	304	(4.6)%	1,113	1,090	2.1%
Public Authorities & Electric Railroads	261	316	(17.4)%	80	80	0.0%
Total Full Service	4,450	4,559	(2.4)%	3,266	3,367	(3.0)%
PPO (ComEd Only) (c)						
Small Commercial & Industrial	246	225	9.3%			
Large Commercial & Industrial	240	240	0.0%			
Public Authorities & Electric Railroads	92	103	(10.7)%			
	578	568	1.8%			
Delivery Only (b)						
Residential	(d)	(d)		164	65	152.3%
Small Commercial & Industrial	134	139	(3.6)%	86	75	14.7%
Large Commercial & Industrial	170	175	(2.9)%	20	21	(4.8)%
Public Authorities & Electric Railroads	28	33	(15.2)%	—	—	
	332	347	(4.3)%	270	161	67.7%
Total PPO and Delivery Only	910	915	(0.5)%	270	161	67.7%
Total Retail Electric Revenue	5,360	5,474	(2.1)%	3,536	3,528	0.2%
Wholesale and Miscellaneous Revenue (e)	443	340	30.3%	203	215	(5.6)%
Gas Revenue (PECO only)	n/a	n/a		748	645	16.0%
Total Revenues	\$ 5,803	\$ 5,814	(0.2)%	\$ 4,487	\$ 4,388	2.3%
Heating and Cooling Degree-Days						
Heating Degree-Days	6,053	6,447	6,498	4,663	4,921	4,787
Cooling Degree-Days	615	695	830	1,272	1,277	1,235

- (a) Full service reflects deliveries to customers taking electric service under tariffed rates, which include the cost of energy and the delivery cost of the transmission and distribution of the energy. PECO's tariffed rates also include a competitive transition charge (CTC).
- (b) Delivery only service reflects customers electing to receive electric generation service from an alternative energy supplier. Revenue from customers choosing an alternative energy supplier includes a distribution charge and a CTC.
- (c) Revenue from customers choosing ComEd's PPO includes an energy charge at market rates, transmission and distribution charges and a CTC.

- (d) All ComEd residential customers are eligible to choose their supplier of electricity; however, as of December 31, 2004, no alternative electric supplier has approval from the Illinois Commerce Commission and no electric utilities have chosen to enter the ComEd residential market for the supply of electricity.
- (e) Wholesale and miscellaneous revenue includes transmission revenue from PJM and prior to ComEd's full integration into PJM on May 1, 2004, ComEd's transmission charges received from alternative energy suppliers.

n/a — not applicable

EXELON CORPORATION
Exelon Generation Power Marketing Statistics

	<u>Three Months Ended December 31,</u>		<u>Twelve Months Ended December 31,</u>	
	<u>2004</u>	<u>2003 (a)</u>	<u>2004</u>	<u>2003 (a)</u>
GWh Sales				
Energy Delivery	26,828	26,446	110,465	112,688
Market and Retail Sales	21,281(c)	27,902	92,134(c)	112,816
Total Sales (b)	<u>48,109</u>	<u>54,348</u>	<u>202,599</u>	<u>225,504</u>
Average Margin (\$/MWh)				
Average Realized Revenue				
Energy Delivery	\$ 30.75	\$ 30.55	\$ 33.94	\$ 34.00
Market and Retail Sales (d)	34.11	35.48	35.03	36.40
Total Sales - without trading	32.24	33.08	34.43	35.20
Average Purchased Power and Fuel Cost - without trading				
	\$ 19.09	\$ 22.36	\$ 20.59	\$ 25.48
Average Margin - without trading	\$ 13.15	\$ 10.72	\$ 13.84	\$ 9.72
Around-the-clock Market Prices (\$/MWh)				
PJM	\$ 38.84	\$ 30.92	\$ 42.34	\$ 38.02
MAIN	29.99	23.08	31.15	28.32
2005 Forward market prices - January through December				
Around-the-clock Market Prices (\$/MWh)				
PJM	\$ 44.39			
MAIN	32.55			
Gas Prices (\$/Mmbtu)				
Henry Hub	\$ 6.25			

- (a) Effective January 1, 2004, Exelon Energy Company became a part of Generation. Statistics for the three and twelve months ended December 31, 2003 have been adjusted to reflect Exelon Energy Company as part of Generation during those periods.
- (b) Total sales do not include trading volume of 6,432 GWhs and 4,052 GWhs for the three months ended December 31, 2004 and 2003, respectively, and 24,001 GWhs and 32,584 GWhs for the twelve months ended December 31, 2004 and 2003, respectively.
- (c) Market and retail sales reflect the adoption of EITF 03-11, which required certain energy transactions to be netted. The adoption of this standard resulted in a reduction of 6,907 GWhs and 25,464 GWhs for the three and twelve months ended December 31, 2004.
- (d) Market and retail sales exclude revenues related to tolling agreements of \$65 million and \$0 million for the three months ended December 31, 2004 and 2003, respectively; and \$332 million and \$99 million for the twelve months ended December 31, 2004 and 2003, respectively.

Exelon
2004 Financial Scorecard

(\$ in millions, except per share data)	Measure	2004 Results	2004 Target/Estimate
Adjusted (non-GAAP) Operating EPS	Year-to-date	\$2.78	\$2.75 - \$2.90 (Guidance)
Exelon Way O&M Savings (pre-tax)	Program-to-date	\$339	\$210
	Year-over-year	\$176	\$47
Exelon Way Cap Ex Savings	Program-to-date	\$188	\$200
	Year-over-year	\$121	\$133
Free Cash Flow*	Year-to-date	\$1,386	\$750
Divestitures/Sales	Net cash proceeds	\$404	\$375
	EBITDA Interest		
Credit Measures	Coverage**	8.0x	8.3x
	Debt to Total Cap**	47%	48%

* Favorability driven mainly by working capital.

** Excludes transition debt and Boston Generating Facility debt.

December YTD Year-over-Year Exelon Way Savings

(\$ in millions)	Pre-tax O&M December YTD Savings	
	2004	2003
GAAP Operating and Maintenance Expense (O&M)	\$ 3,976	\$ 4,508
Operating Adjustments:		
March 3 ComEd Global Settlement Agreement	—	(41)
Charges associated with Generation's investment in Sithe Energies, Inc.	(8)	—
Settlement Associated with the Storage of Spent Nuclear Fuel	42	—
Charges associated with Exelon's anticipated merger with Public Service Enterprise Group Inc.	(7)	—
2004 Financial Impact of Boston Generating (BG)	(62)	—
Investments in Synthetic Fuel Producing Facilities	(89)	—
Exelon Way Severance and Severance-related Charges	(83)	(256)
Impairment of Exelon Enterprises' InfraSource Investment	—	(53)
Operating O&M	3,769	4,158
Exelon Way O&M Adjustments:		
Remove Net Enterprises and BG (1)	(204)	(903)
Remove Nuclear Decommissioning Accretion Expense and Other SFAS 143 Adjustments (2)	(129)	(118)
Remove 2004 Incremental Impact of Sithe	(60)	—
Add AmerGen, net of Accretion and Severance (3)	—	393
Normalize Incremental Impact of Nuclear Outages	(18)	—
Other	(7)	—
Add Payroll Taxes (4)	94	91
Exelon Way O&M	\$ 3,445	\$ 3,621
Year-over-Year Exelon Way O&M Savings	\$ 176	

Program-to-Date O&M Savings	Pre-tax	After-tax (5)
2003 Ramp-up	\$ 163	\$ 101
2004 December YTD	176	109
Exelon Way 2004 O&M Savings	\$ 339	\$ 210

(1) Excludes corporate costs that remain within Exelon and is net of intercompany impact. Enterprises excludes Exelon Energy in 2003; in 2004 Exelon Energy is included in Generation.

(2) Accretion expense and other SFAS 143 adjustments are non-cash expenses related to nuclear decommissioning and are not included in Exelon Way expenditures.

(3) Normalize to 100% in 2003; in 2003, AmerGen was included in Equity in Earnings of Unconsolidated Affiliates

(4) Includes AmerGen and excludes Enterprises.

(5) Tax rate is 38%.

GAAP Capital Expenditures (CapEx) (A)	CapEx December YTD Savings	
	2004	2003
	\$ 1,921	\$ 1,862
Adjustments:		
Include AmerGen CapEx	—	171
Other	11	20
Exelon Way CapEx	\$ 1,932	\$ 2,053
Year-over-Year CapEx Savings	\$ 121	
Program-to-Date Exelon Way CapEx Savings:		
2003 Ramp-up	\$ 67	
2004 December YTD	121	
Exelon Way 2004 CapEx Savings	\$ 188	

(A) Net of proceeds from liquidated damages for 2003.

Exelon Way 2004 O&M Cash Savings	Total
After-tax O&M	\$ 210
CapEx	188
Total Exelon Way Cash Savings	\$ 398



2003 Ramp-Up Exelon Way Savings

(\$ in millions)	2003 Pre-tax O&M Ramp-up Savings	
	2002	2003
GAAP Operating and Maintenance (O&M)	\$ 4,345	\$ 4,508
Operating Adjustments:		
March 3, 2003 ComEd Settlement Agreement Severance	—	(41)
Enterprises goodwill impairment and impairments due to anticipated sales	(10)	(256)
	—	(53)
Operating O&M	4,335	4,158
Exelon Way O&M Adjustments:		
Remove Enterprises and Boston Generating (BG) (1)	(1,212)	(903)
Add incremental impact of Texas Plants	10	—
Remove nuclear decommissioning accretion expense and Other SFAS 143 Adjustments (2)	—	(118)
Add 2002 incremental impact of Exelon New England	50	—
Normalize incremental impact of nuclear outages	(24)	—
Add AmerGen, net of decommissioning accretion (3)	412	393
Add Payroll Taxes (4)	95	91
Exelon Way O&M	\$ 3,666	\$ 3,621
Exelon Way O&M Savings:		
Difference between 2002 and 2003 Exelon Way O&M		\$ 45
2003 inflationary impact (5)		107
Pension and post-retirement increase (6)		103
Calculated 2003 Savings		\$ 255
Exclude savings from prior cost management initiatives (e.g., CMI)		(92)
Exelon Way O&M Savings - Pre-tax		\$ 163
After-tax O&M Savings (7)		\$ 101

(1) Excludes corporate costs that will remain within Exelon and is net of intercompany impact. Enterprises excludes Exelon Energy.

(2) Accretion expense and other SFAS 143 adjustments are non-cash expenses related to nuclear decommissioning and are not included in Exelon Way expenditures.

(3) Normalized to 100% of AmerGen in 2002 and 2003; in 2002 and 2003, AmerGen was included in Equity in Earnings of Unconsolidated Affiliates.

(4) Includes AmerGen and excludes Enterprises.

(5) 2002 base excluding pension and post-retirement expenses of \$103m, inflated at 3%.

(6) Pension and post-retirement expense increase.

(7) Tax rate is 38%.

	2003 Cap Ex Ramp-up Savings	
	2002	2003
GAAP Capital Expenditures (CapEx) (A)	\$ 2,150	\$ 1,862
Adjustments:		
Exclude net impact of Boston Generating (A)	—	20
Include AmerGen	155	171
Exelon Way Adjusted CapEx	\$ 2,305	\$ 2,053
Year-over-year CapEx Savings		\$ 252
Exelon Way CapEx Savings:		
Difference between 2002 and 2003 Exelon Way CapEx		\$ 252
2003 inflationary impact (B)		69
Calculated 2003 Savings		\$ 321
Exclude savings from prior cost management initiatives (e.g., CMI)		(254)
Exelon Way Savings - 2003 Ramp-up		\$ 67

(A) Net of proceeds from liquidated damages for 2003.

(B) Inflation assumed at 3%.

Total Ramp-up Cash Savings

After-tax O&M	\$ 101
CapEx	67
Total Exelon Way Cash Savings	<u>\$ 168</u>



Full Year 2004 Reconciliation

Total Increase in Cash and Cash Equivalents to Free Cash Flow Reconciliation

GAAP Increase in Cash and Cash Equivalents	\$	35
Adjustments for Goal:		
Discretionary Debt Activity:		
- Change in Short-Term Debt		(164)
- Net Long-Term Debt Retirements ⁽¹⁾		1,424
- Other Financing Activities		(34)
Cash from Long-Term Incentive Plan ⁽²⁾		(158)
Other Discretionary Adjustments ⁽³⁾		283
Total Adjustments		<u>1,351</u>
Free Cash Flow	<u>\$</u>	<u>1,386</u>

- (1) Includes net long-term debt issuances and payment on the acquisition note to Sithe Energies, Inc. and excludes ComEd Transitional Funding Trust and PECO Energy Transition Trust Retirements.
- (2) Net of treasury shares purchased.
- (3) Includes the incremental increase in dividend payments over 2003, exclusion of Sithe cash, severance payments, call premiums associated with the redemption of debt as a result of the accelerated liability management plan, and the tax effect of discretionary items.

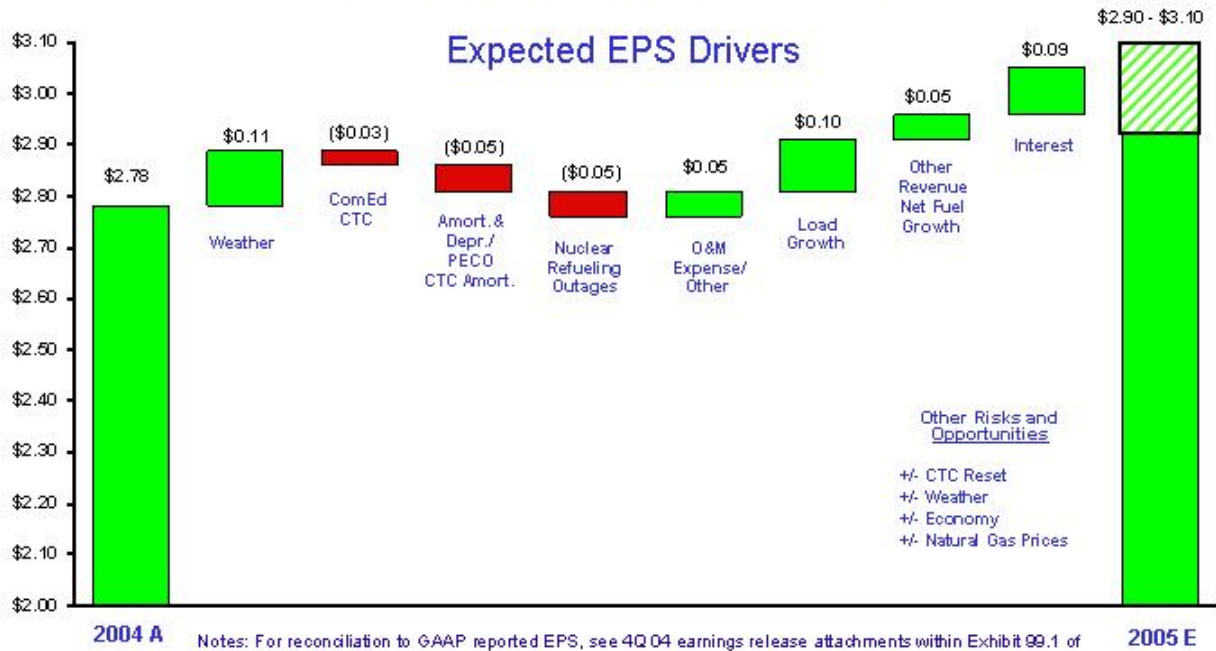
Free Cash Flow

We define free cash flow as:

- Cash from operations (which includes pension contributions and the benefit of synthetic fuel investments), less
- Cash used in investing activities, less
 - Transition debt maturities
 - Common stock dividend payments at 2003 rates
 - Other routine activities (e.g., severance payments, tax effect of discretionary items, etc.)



2005 Adjusted (non-GAAP) Operating EPS Guidance: \$2.90 - \$3.10



Notes: For reconciliation to GAAP reported EPS, see 4Q 04 earnings release attachments within Exhibit 99.1 of Form 8-K filed 1/25/05. Items may not add due to rounding.