# Earnings Conference Call
# 4th Quarter 2018

February 8, 2019

# 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 2017 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 23, Commitments and Contingencies; (2) Exelon's Third Quarter 2018 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 17; 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 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, 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 56 of this presentation.

# 2018 Business Priorities and Commitments

## Maintain industry leading operational excellence

- First Quartile SAIFI performance at all utilities and First Quartile CAIDI performance at BGE, ComEd and PHI
- Record nuclear output of 159 TWhs, best ever average refueling days, and capacity factor of 94.6%[1]
- Exceeded power dispatch match and renewables energy capture goals

## Effectively deploy ~$5.4B of 2018 utility capex

- Invested more than $5.5B to replace aging infrastructure and improve reliability for the benefit of customers

## Advance PJM power price formation changes

- Awaiting decision from FERC on fast start
- PJM is moving forward on scarcity pricing and reserves reforms with FERC filing expected in Q1 2019
- After assessing FERC's fast start decision, PJM will determine path forward for full integer relaxation

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

- The Second and Seventh Circuit Court decisions upheld the legality of the NY and IL programs

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

- Governor Murphy signed the NJ ZEC bill into law in May 2018
- Bicameral Nuclear Energy Caucus in PA legislature released detailed report outlining options to preserve nuclear plants including a price on carbon pollution and Governor Wolf issued an executive order establishing carbon reduction goals for PA

## Grow dividend at 5% rate

- Increased the dividend to $1.38 from $1.31 per share

## Continued commitment to corporate responsibility

- Exelon employees volunteered more than 240,000 hours and donated nearly $13M
- Exelon Foundation donated more than $51M
- Received A- from Carbon Disclosure Project – 1 of 2 U.S. utilities to do so
- Named Best Company for Diversity by Forbes, Black Enterprise Magazine, DiversityInc and Human Rights Campaign

## 2018 GAAP Earnings of $2.07 and Adjusted Operating Earnings* of $3.12

(1) Excludes Salem and EDF's equity ownership share of the CENG Joint Venture. Statistics represent full year 2018 results.

# Operating Highlights

| Operations | Metric | At CEG Merger (2012) | | | 2015 | YTD 2018 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 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 |

- Reliability performance remains strong across all utilities and safety performance continues to improve:
  - ComEd achieved top decile performance and PHI matched its best on record results in SAIFI
  - For CAIDI, BGE and ComEd achieved top decile performance
- Top decile Gas odor response for the 6th consecutive year for BGE and PECO and 2nd consecutive year for PHI
- ComEd and PHI scored in the top decile for service level with BGE and PHI achieving best on record performances
- ComEd, BGE, and PHI had best on record performances in Call Center Satisfaction

(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 |
|---|---|

- Continued best in class performance across our Nuclear fleet:[(1)]
  - Capacity factor for Exelon (owned and operated units) was 94.6%[(2)]
  - This was the third consecutive year more than 94% and the fifth out of the last six years topping 94%[(2)]
  - Most nuclear power ever generated at 159 TWhs[(2)]
  - 2018 average refueling outage duration of 21 days, a new Exelon record
- Strong performance across our Fossil and Renewable fleet:
  - Renewables energy capture: 96.1%
  - Power dispatch match: 98.1%

**Constellation Metrics**

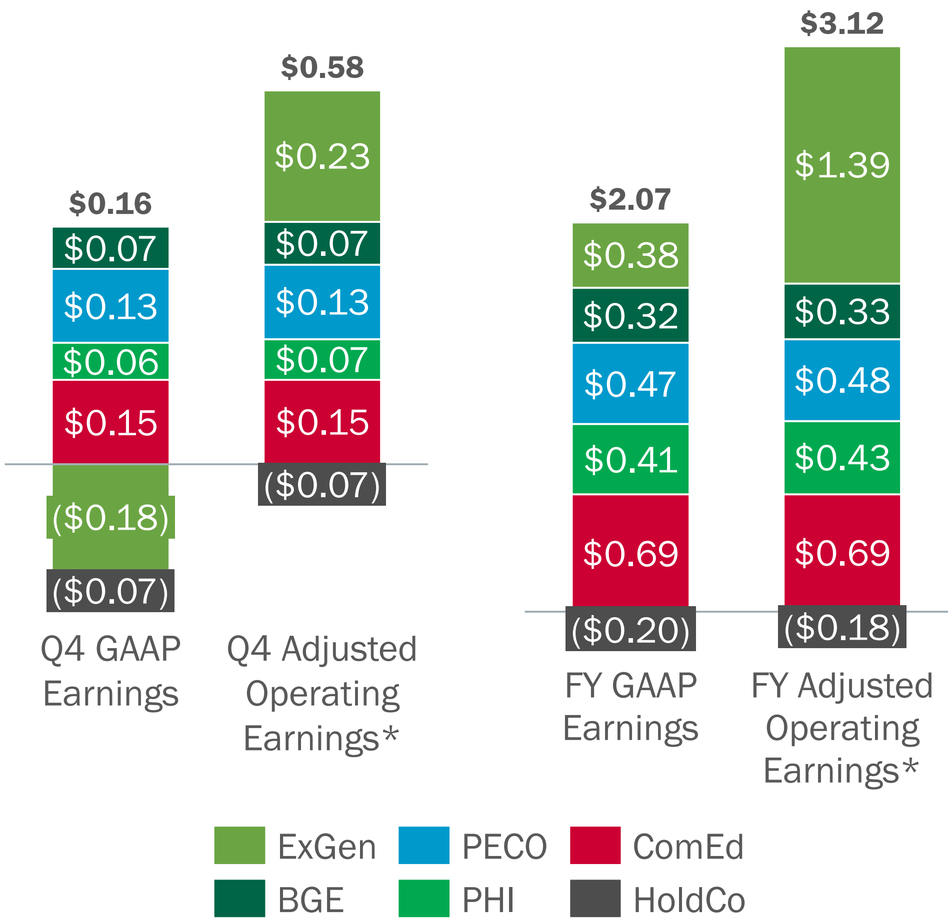
- 78% retail power customer renewal rate
- 30% power new customer win rate
- 92% natural gas customer retention rate
- 25 month average power contract term
- Average customer duration of more than 6 years
- Stable Retail Margins

Note: Statistics represent full year 2018 results
(1) Excludes Salem
(2) Excludes EDF's equity ownership share of the CENG Joint Venture

# 2018 Financial Results

## Q4 2018 EPS Results

## Full Year 2018 EPS Results




- Adjusted (non-GAAP) operating earnings drivers versus full year guidance:

**Exelon Utilities**

- ⬆ Favorable weather
- ⬆ Higher distribution and transmission revenues
- ⬆ ComEd ROE
- ⬇ Storm costs

**Exelon Generation**

- ⬆ NDT realized gains[1]
- ⬇ Higher allocated transmission costs

Note: Amounts may not sum due to rounding
(1) Gains related to unregulated sites

# Exelon Utilities' 2018 Distribution Rate Case Results

**February 2018**
**Delmarva MD**
(2/9/2018)

**May 2018**
**Pepco Electric MD**
(5/31/2018)

**August 2018**
**Pepco Electric DC**
(8/9/2018)
**Delmarva Electric DE**
(8/21/2018)

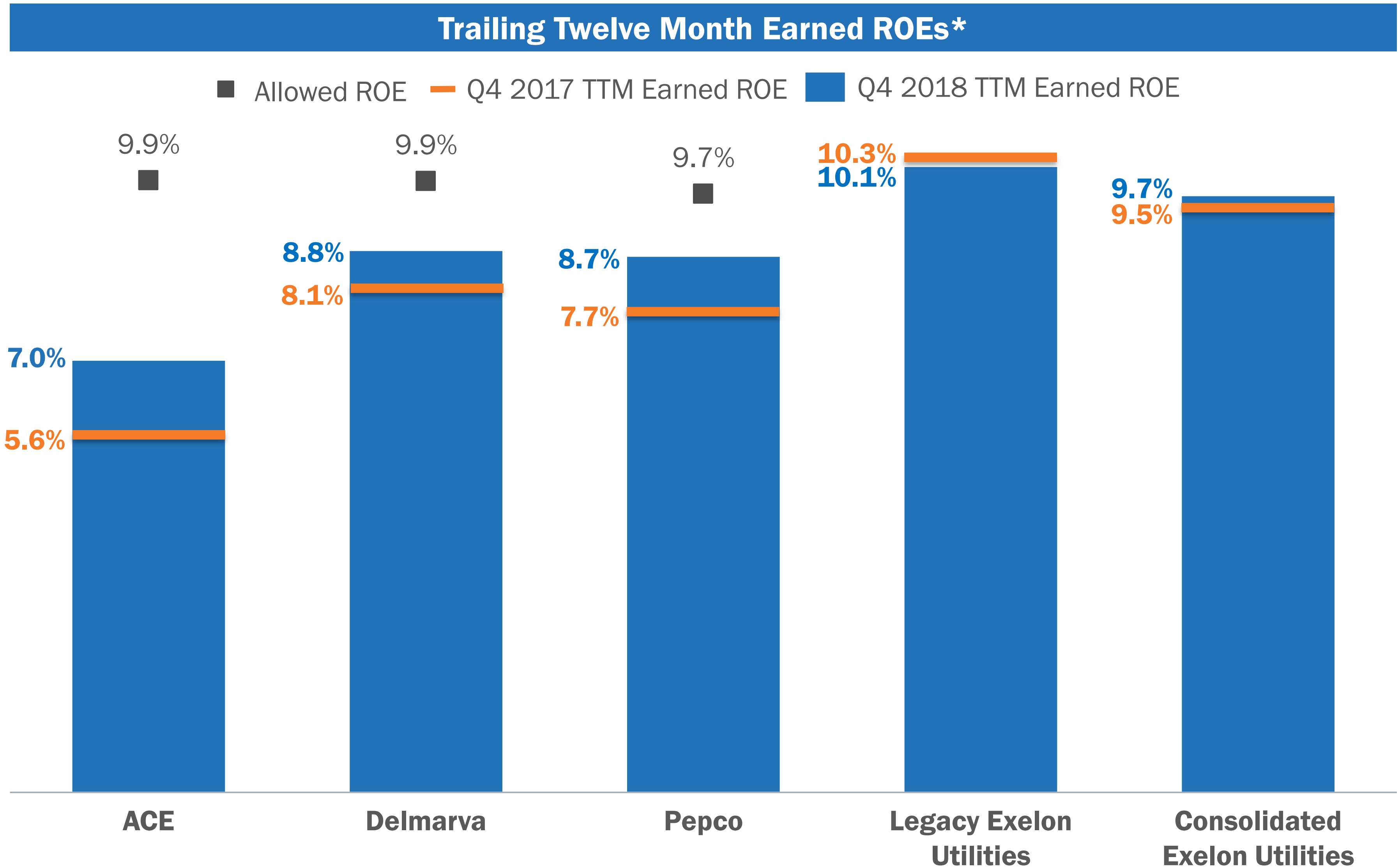
**November 2018**
**Delmarva Gas DE**
(11/8/2018)

**December 2018**
**ComEd**
(12/4/2018)
**PECO Electric**
(12/20/2018)

**January 2019**
**BGE Gas**
(1/4/2019)

- Returned more than **$675M** of annual savings from tax reform to our 10 million customers
- **8** electric and gas distribution final orders across the utilities of which **6** were constructive settlements with key intervenors during the year

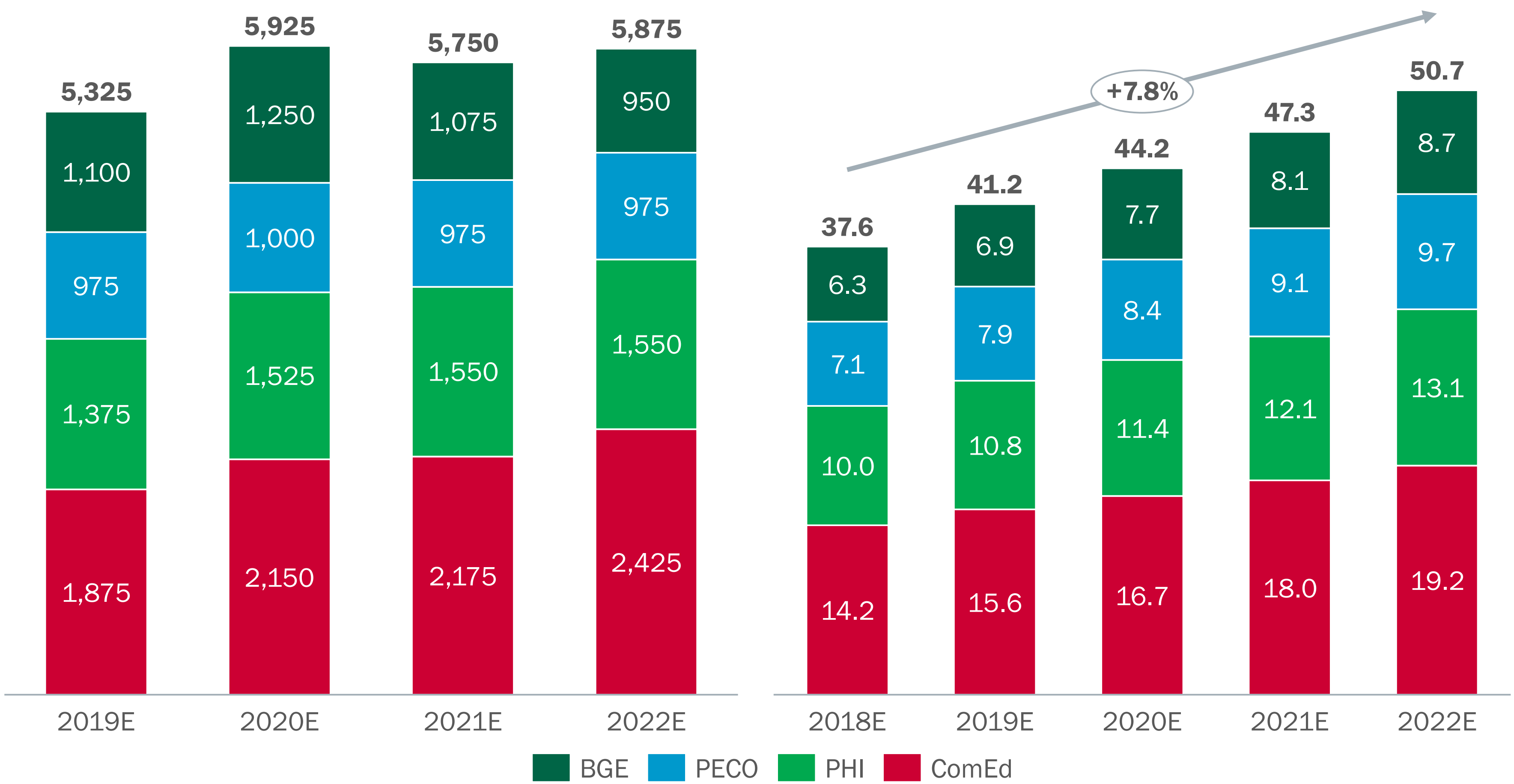
# Trailing Twelve Month Earned ROEs* vs Allowed ROE




Note: Represents the twelve-month periods ending December 31, 2017 and December 31, 2018, respectively. Earned ROEs* represent weighted average across all lines of business (Electric Distribution, Gas Distribution and Electric Transmission).

# Our Capital Plan Drives Leading Rate Base Growth

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

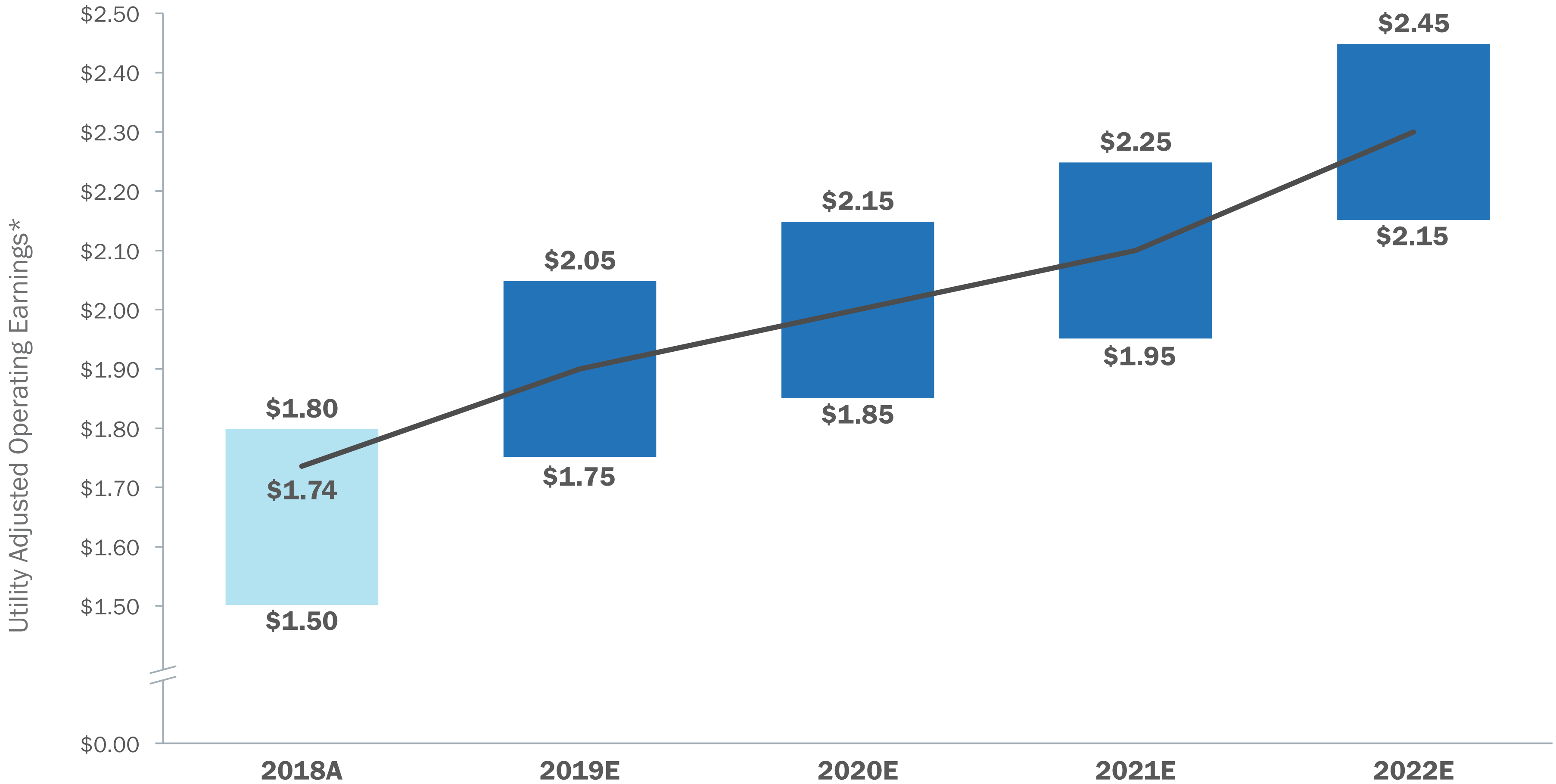



**~$23B of capital will be invested at Exelon utilities from 2019–2022 for grid modernization and resiliency for the benefit of our customers**

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

# Exelon Utilities EPS* Growth of 6-8% to 2022

## Exelon Utilities Operating Earnings*




**Rate base growth combined with positive regulatory outcomes drive EPS growth**

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



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# Exelon Generation: Gross Margin Update

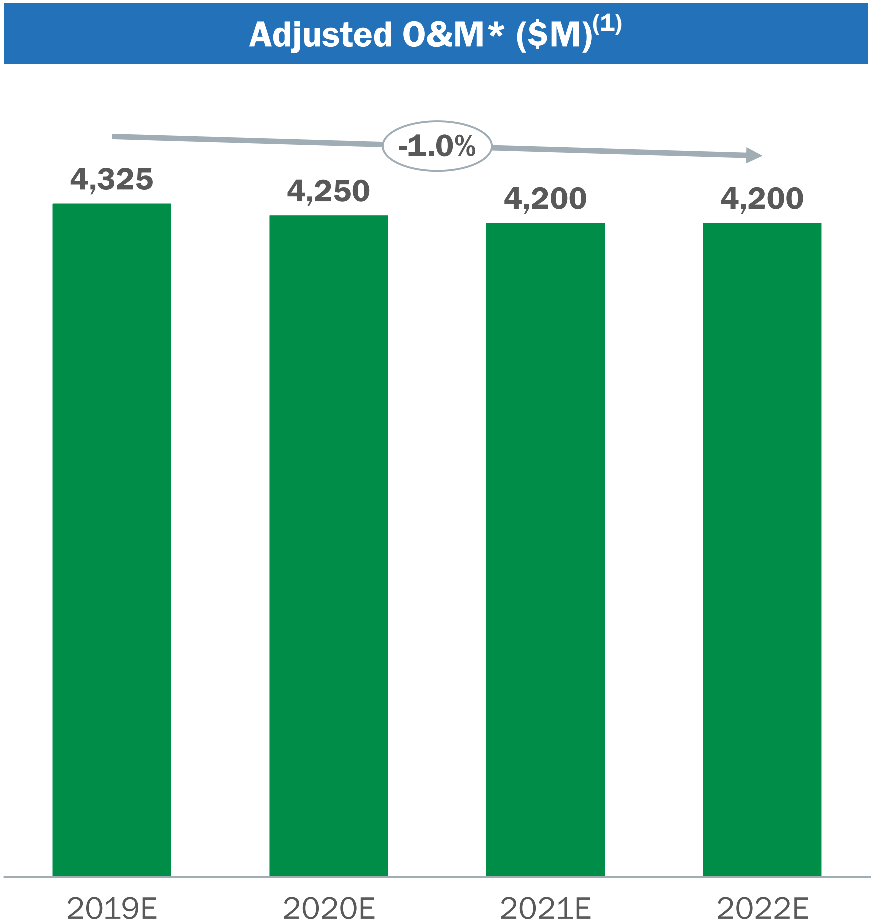
| Gross Margin Category ($M)[1] | December 31, 2018 2019 | 2020 | 2021 | Change from September 30, 2018 2019 | 2020 |
|---|---|---|---|---|---|
| Open Gross Margin[2,5] (including South, West, New England, Canada hedged gross margin) | $4,350 | $4,050 | $3,750 | $50 | $150 |
| Capacity and ZEC Revenues[2,5] | $2,050 | $1,900 | $1,850 | - | - |
| Mark-to-Market of Hedges[2,3] | $250 | $250 | $100 | - | - |
| Power New Business / To Go | $500 | $700 | $900 | $(50) | $(100) |
| Non-Power Margins Executed | $200 | $150 | $150 | - | - |
| Non-Power New Business / To Go | $300 | $350 | $400 | - | - |
| **Total Gross Margin*[4,5]** | **$7,650** | **$7,400** | **$7,150** | **-** | **$50** |

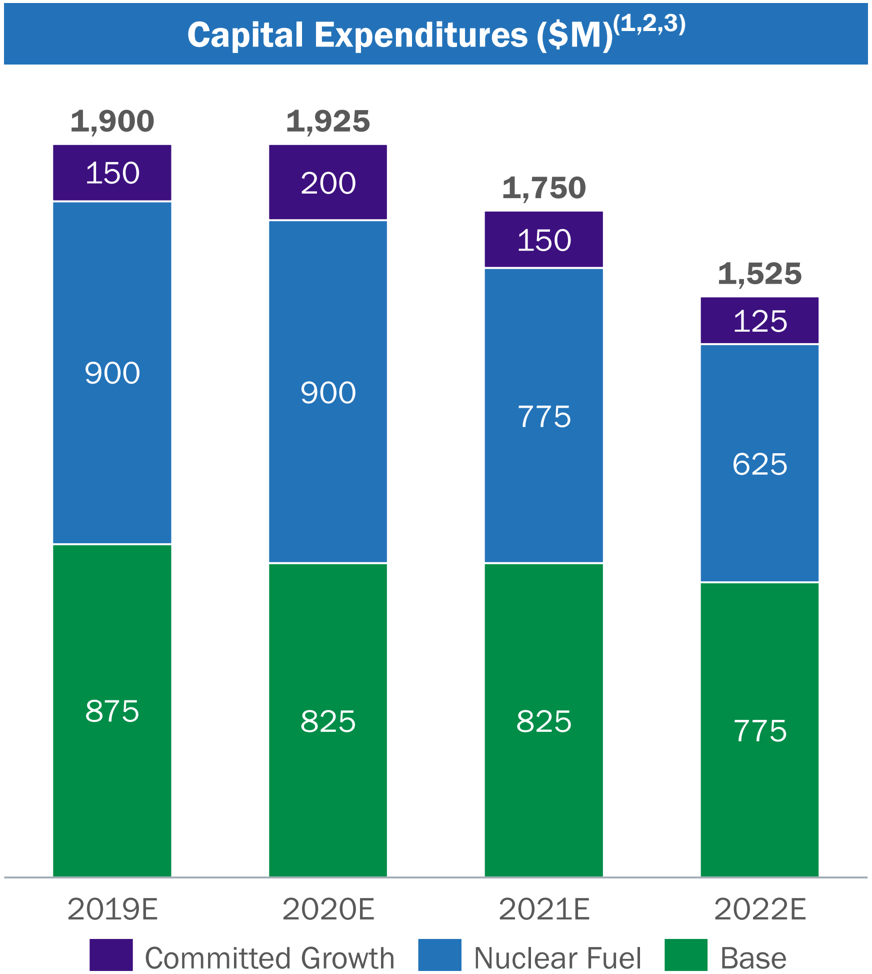
## Recent Developments

- In October 2018 we acquired the Everett LNG import facility and in December, we received the cost of service order from FERC for Mystic, which together will allow us to provide fuel security to the New England market into May 2024
- In January 2019 the Texas PUCT approved modifications to the ORDC curve, which are not reflected in the numbers above
- Behind ratable hedging position reflects the upside we see in power prices
  - ~9-12% behind ratable in 2019 when considering cross commodity hedges
  - ~8-11% behind ratable in 2020 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, 2018 market conditions
(5) Reflects TMI retirement by September 2019

# Driving Costs and Capital Out of the Generation Business



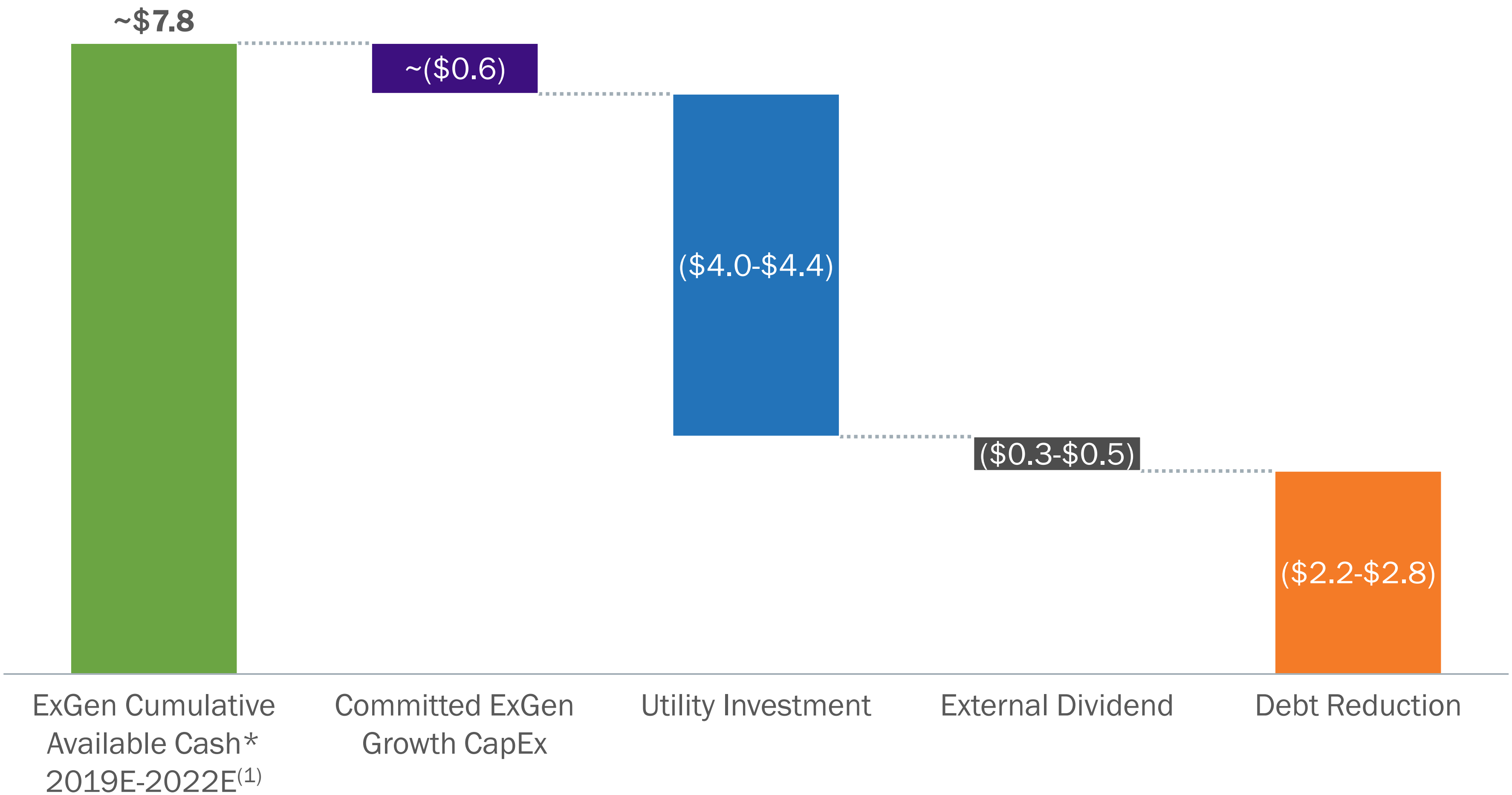




**Cost optimization programs and planned nuclear plant closures drive lower total costs**

Note: All amounts rounded to the nearest $25M and numbers may not add due to rounding
(1) O&M and Capital Expenditures reflect retirement of TMI in 2019
(2) Capital spend represents cash CapEx with CENG at 100% and excludes merger commitments
(3) 2019E growth capital expenditures reflects a ~$75M shift of cash outlay from 2018A to 2019E related to West Medway and Retail Solar

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

## 2019-2022 Exelon Generation Available Cash*(1) and Uses of Cash ($B)

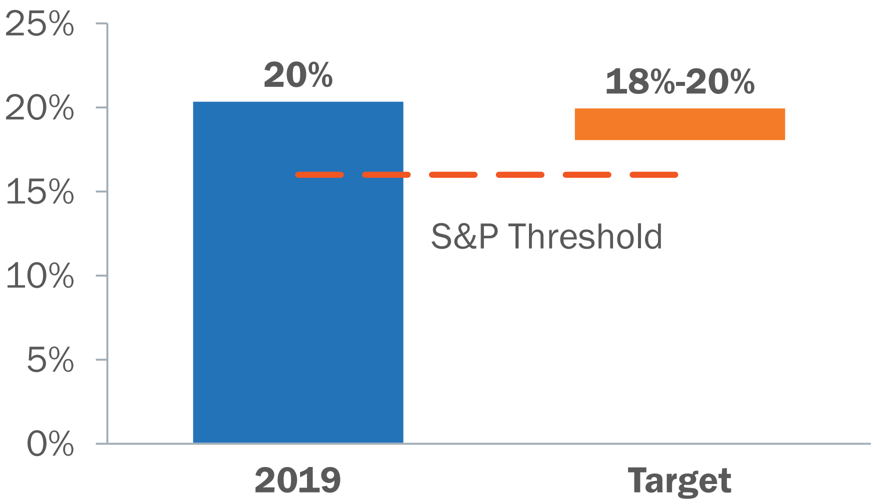



**Redeploying Exelon Generation's Available Cash Flow* to maximize shareholder value**

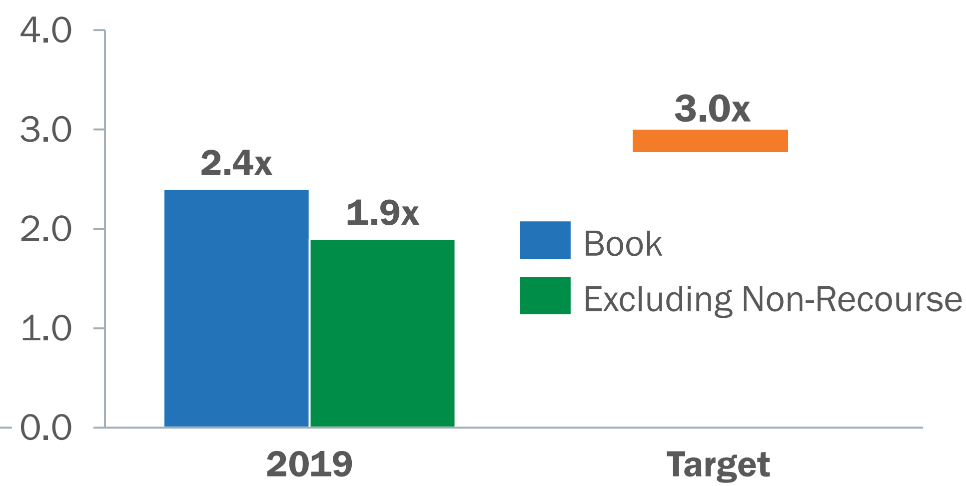
(1) Cumulative Available Cash is a midpoint of a range based on December 31, 2018 market prices. Sources include ~$0.4B of use of available cash in hand, EDF cash distributions, change in margin, tax sharing agreement, equity investments, equity distributions for renewables JV and Bluestem tax equity, acquisitions and divestitures.

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

## Exelon S&P FFO/Debt %*(1,4)




## ExGen Debt/EBITDA Ratio*(5)




## Credit Ratings by Operating Company

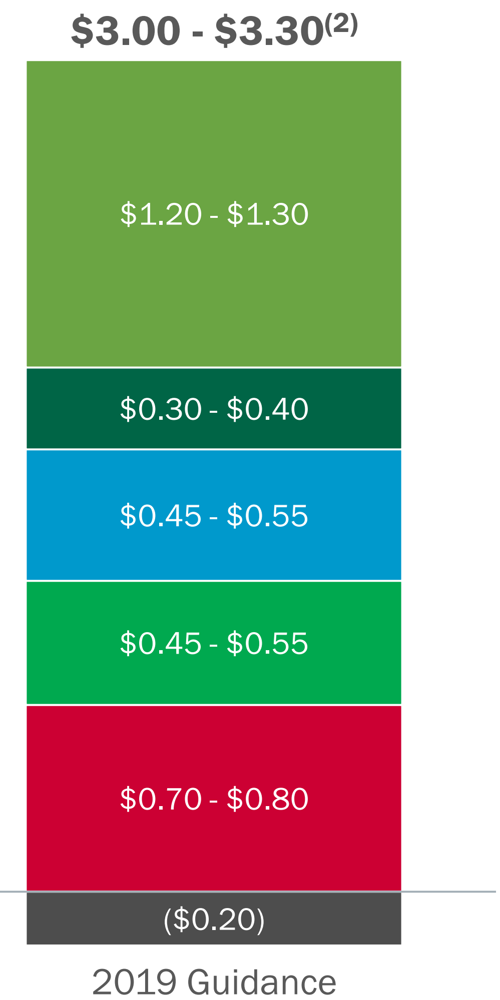
| Current Ratings (2,3) | ExCorp | ExGen | ComEd | PECO | BGE | ACE | DPL | Pepco |
|---|---|---|---|---|---|---|---|---|
| Moody's | Baa2 | Baa2 | A1 | Aa3 | A3 | A3(3) | A2 | A2 |
| S&P | BBB-(3) | BBB(3) | A-(3) | A-(3) | A-(3) | A(3) | A(3) | A(3) |
| Fitch | BBB(3) | BBB | A | A(3) | A-(3) | A- | 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 8, 2019, for Exelon, Exelon Generation and BGE and senior secured ratings for ComEd, PECO, ACE, DPL, and Pepco
(3) Exelon Corp and all subsidiaries are on "Positive" outlook at S&P; Exelon Corp, PECO, and BGE are on "Positive" outlook at Fitch; ACE is on "Positive" outlook at Moody's; all other 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 at Exelon Corp
(5) Reflects net book debt (YE debt less cash on hand) / adjusted operating EBITDA*

# 2019 Adjusted Operating Earnings* Guidance


**Key Year-Over-Year Drivers**

- **ExGen**: Lower realized energy prices, absence of NDT gains and IL ZEC timing, partially offset by NJ ZEC uplift
- **BGE**: Higher distribution and transmission revenue, partially offset by higher depreciation
- **PECO:** Higher distribution and transmission revenue, return to normal storm (historical average), partially offset by higher depreciation and a return to normal weather
- **PHI:** Higher distribution and transmission revenue and favorable O&M, partially offset by higher depreciation
- **ComEd**: Increased capital investments to improve reliability in distribution and transmission




**Expect Q1 2019 Adjusted Operating Earnings* of $0.80 - $0.90 per share**

Note: Amounts may not add due to rounding
(1) 2018 results based on 2018 average outstanding shares of 969M
(2) 2019E earnings guidance based on expected average outstanding shares of 973M



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# 2019 Business Priorities and Commitments

Maintain industry leading operational excellence

Meet or exceed our financial commitments

Effectively deploy ~$5.3B of utility capex

Advocate for policies to enable the utility of the future

Advance PJM energy market price formation reforms

Preserve authority of states to enact state clean energy policies and seek fair compensation for zero-emitting nuclear plants

Grow dividend at 5% rate

Continued commitment to corporate responsibility

# The Exelon Value Proposition

- **Regulated Utility Growth** with utility EPS rising 6-8% annually from 2018-2022 and rate base growth of 7.8%, representing an expanding majority of earnings
- **ExGen's strong free cash generation** will provide ~$4.2B for utility growth and reduce debt by ~$2.5B 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 2022 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



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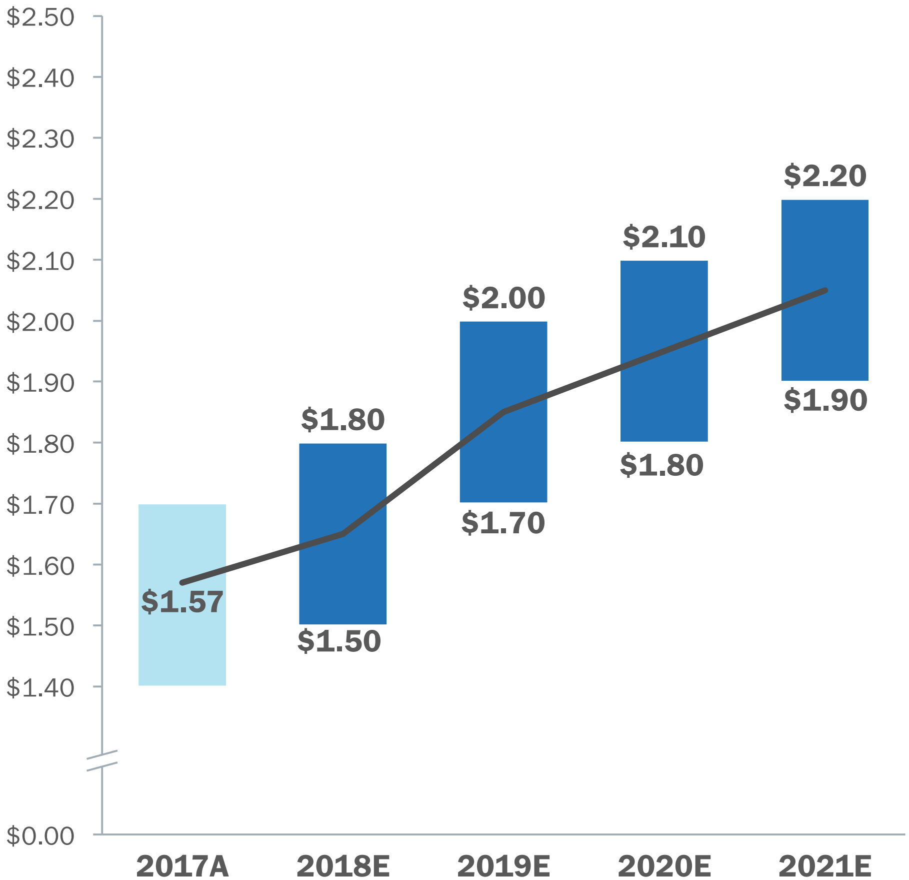
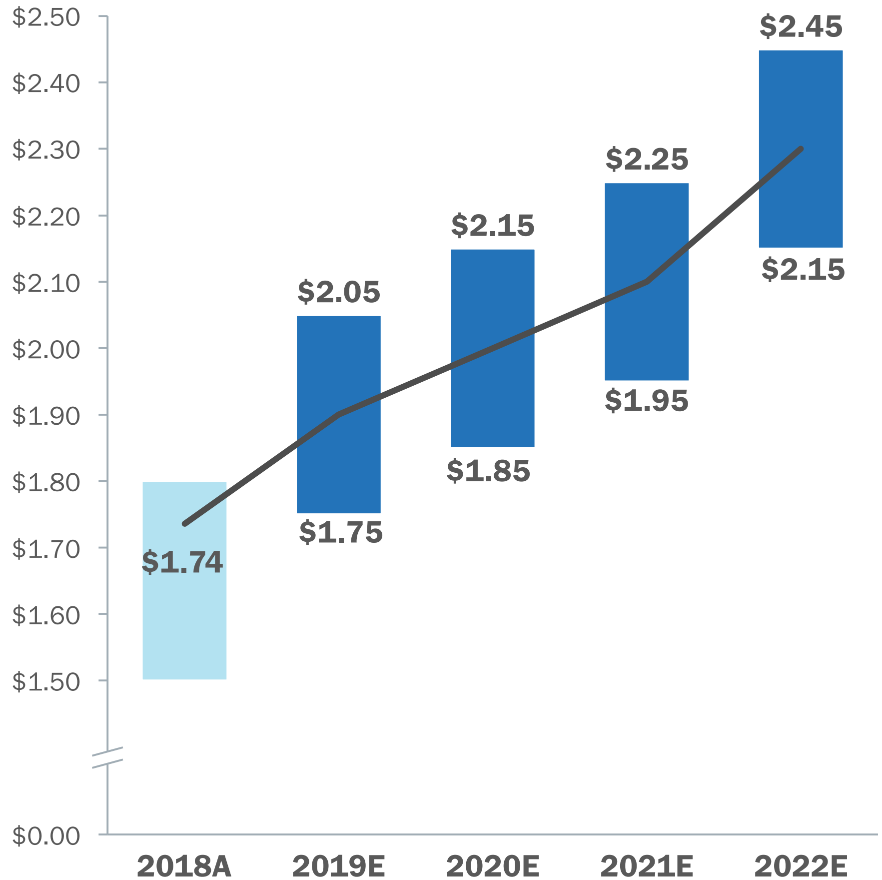
# Additional Disclosures

# Exelon Utilities EPS Growth of 6-8% to 2022

## Q4 2017 Operating Earnings*




## Q4 2018 Operating Earnings*

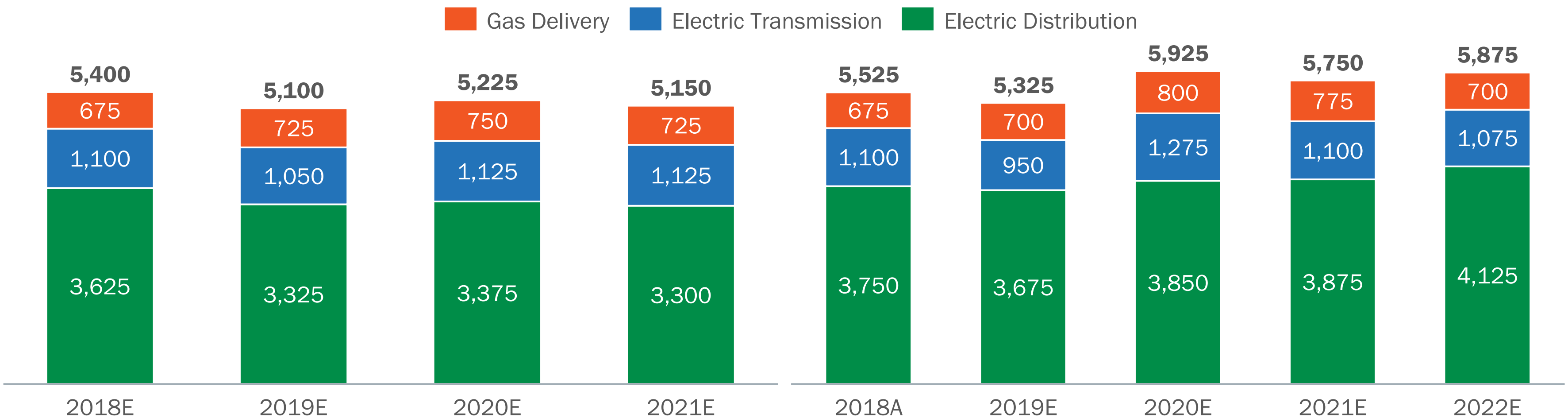



**Utility growth rate remains 6-8%, driven by rate base growth and positive regulatory outcomes**

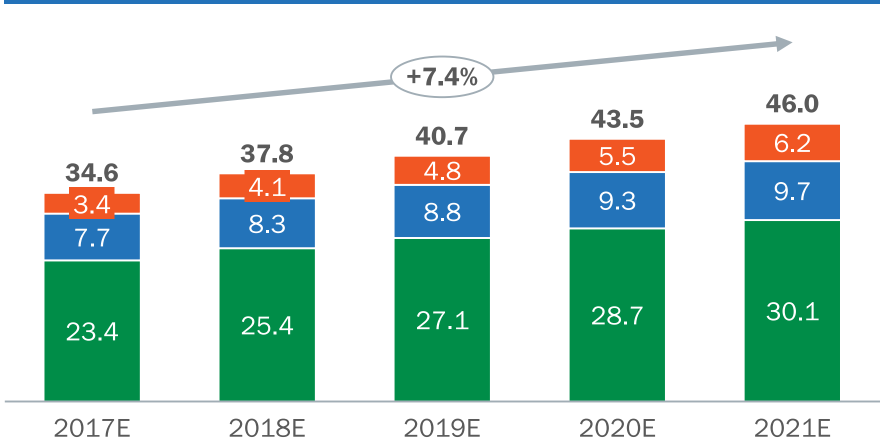
Note: Includes after-tax interest expense held at Corporate for debt costs associated with utility investment.

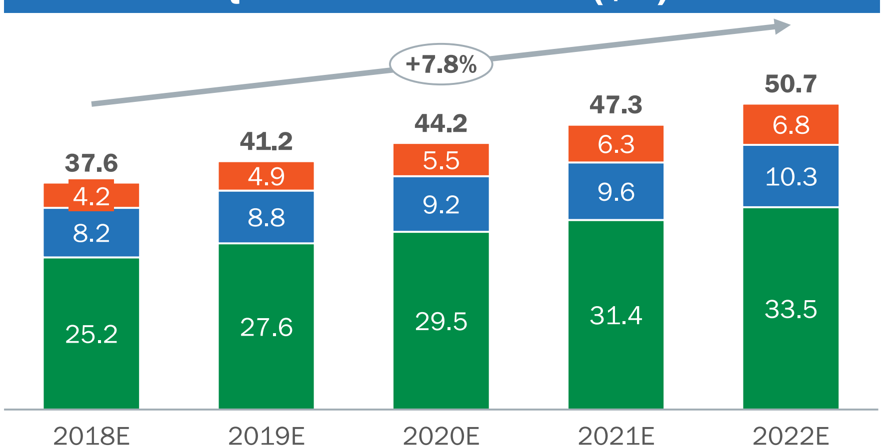
# Utility Capex and Rate Base vs. Previous Disclosure

| Q4 2017 Capital Expenditures ($M) | Q4 2018 Capital Expenditures ($M) |
|---|---|




| Q4 2017 Rate Base ($B) | Q4 2018 Rate Base ($B) |
|---|---|




**We will invest $22.9B of capital in utilities from 2019-2022, supporting rate base growth of 7.8% from 2018-2022**

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



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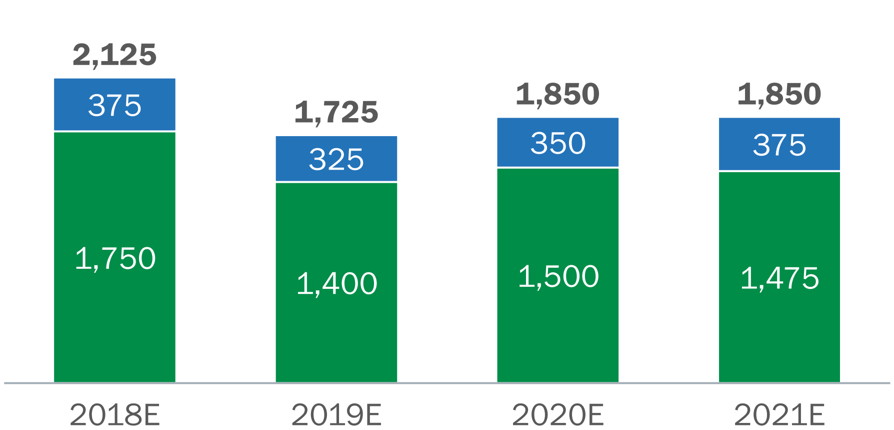
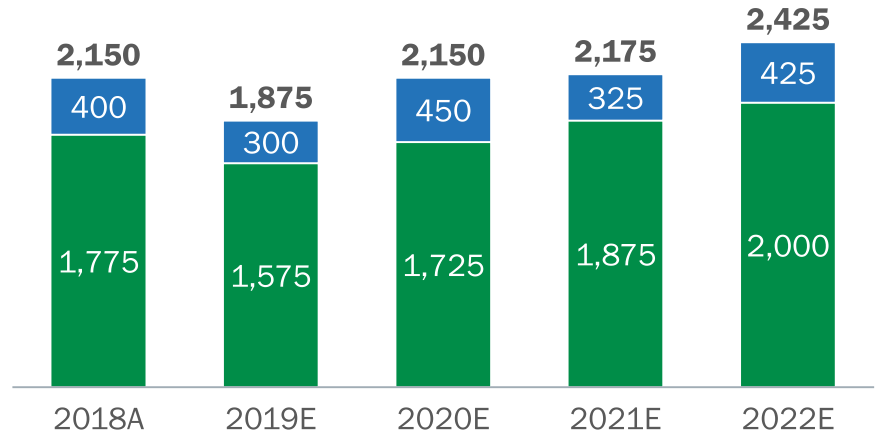
# ComEd Capital Expenditure and Rate Base Forecast

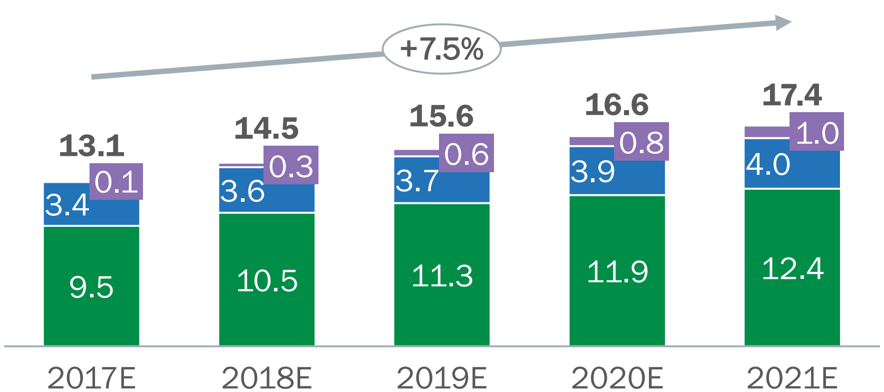
## Q4 2017 Capital Expenditures ($M)



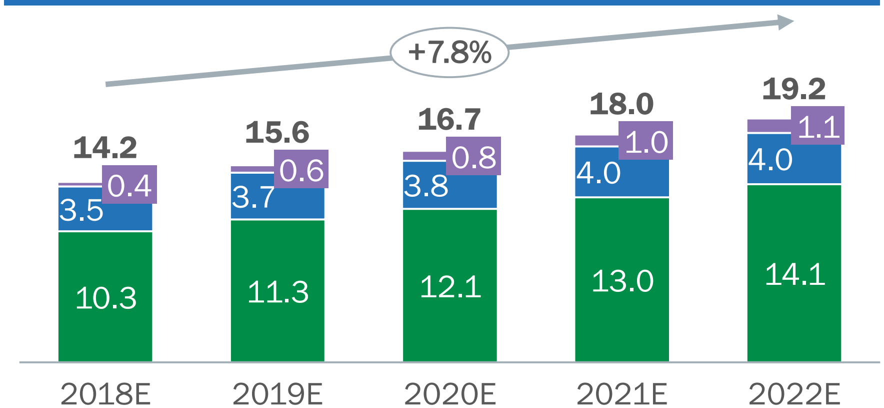

## Q4 2018 Capital Expenditures ($M)




## Q4 2017 Rate Base ($B)




## Q4 2018 Rate Base ($B)




Other(1) Electric Transmission Electric Distribution

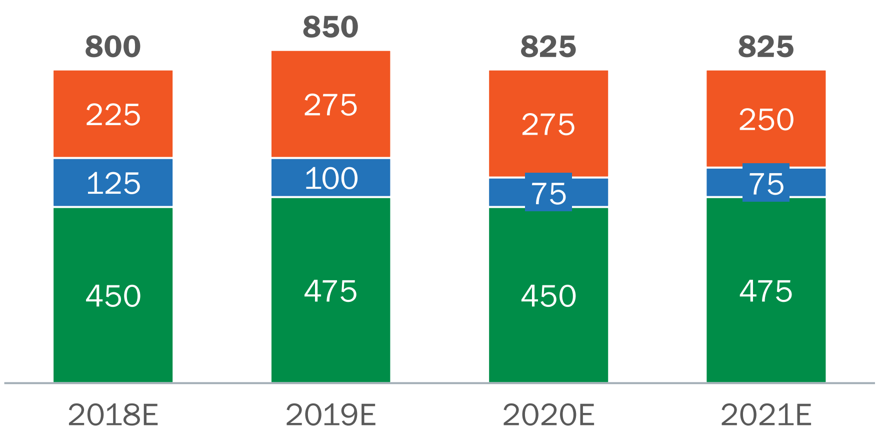
## ~$8.6B of Capital being invested from 2019-2022

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

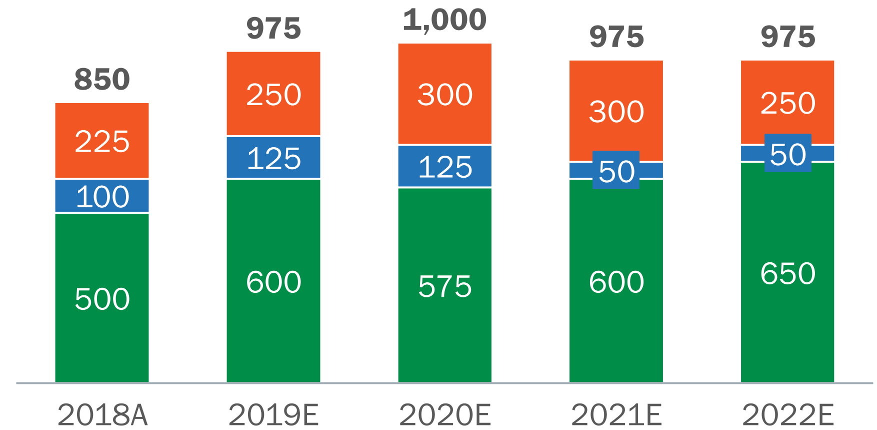
(1) Other includes long-term regulatory assets, which earn a return consistent with rate base, including Energy Efficiency and the Solar Rebate Program

# PECO Capital Expenditure and Rate Base Forecast

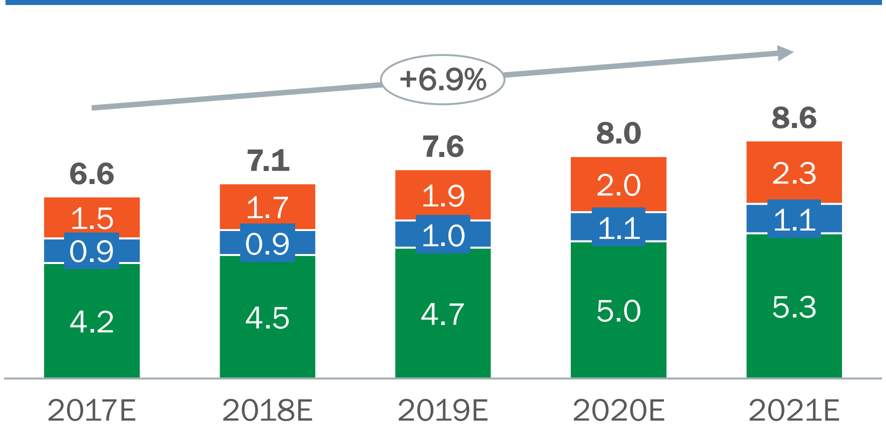
## Q4 2017 Capital Expenditures ($M)



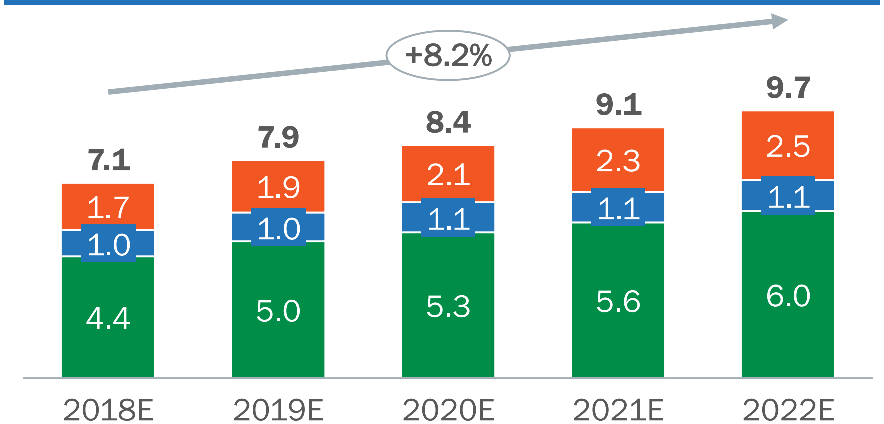

## Q4 2018 Capital Expenditures ($M)




## Q4 2017 Rate Base ($B)




## Q4 2018 Rate Base ($B)




Gas Delivery  Electric Transmission  Electric Distribution

**~$3.9B of Capital being invested from 2019-2022**

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



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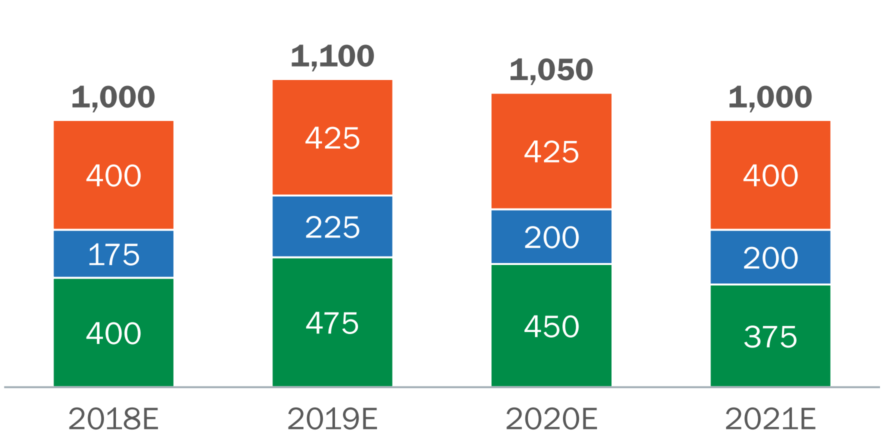
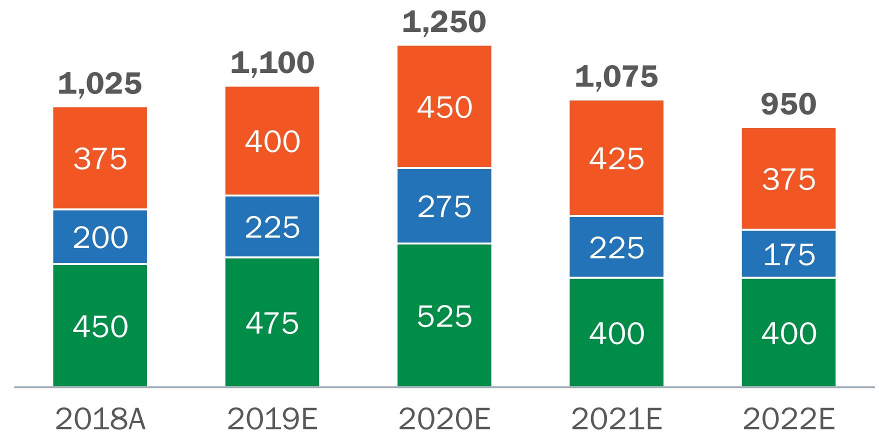
# BGE Capital Expenditure and Rate Base Forecast

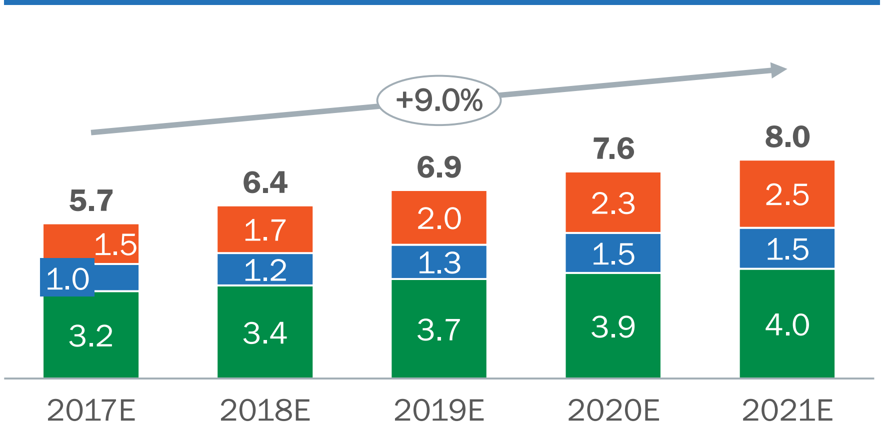
## Q4 2017 Capital Expenditures ($M)



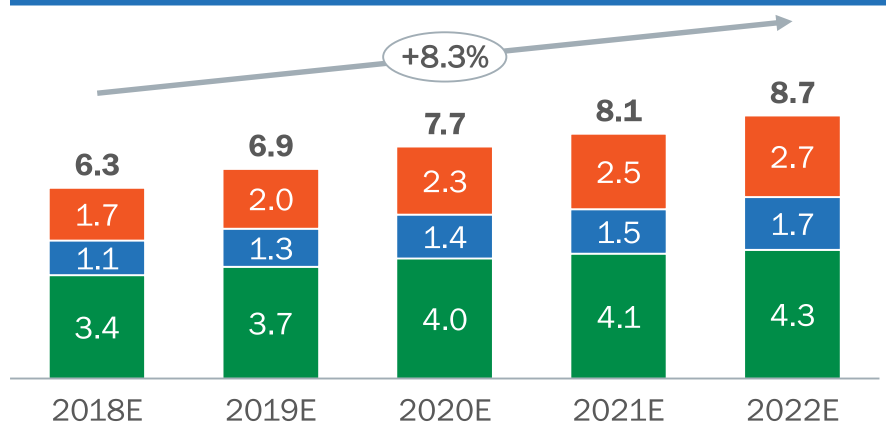

## Q4 2018 Capital Expenditures ($M)




## Q4 2017 Rate Base ($B)




## Q4 2018 Rate Base ($B)




Gas Delivery Electric Transmission Electric Distribution

**~$4.4B of Capital being invested from 2019-2022**

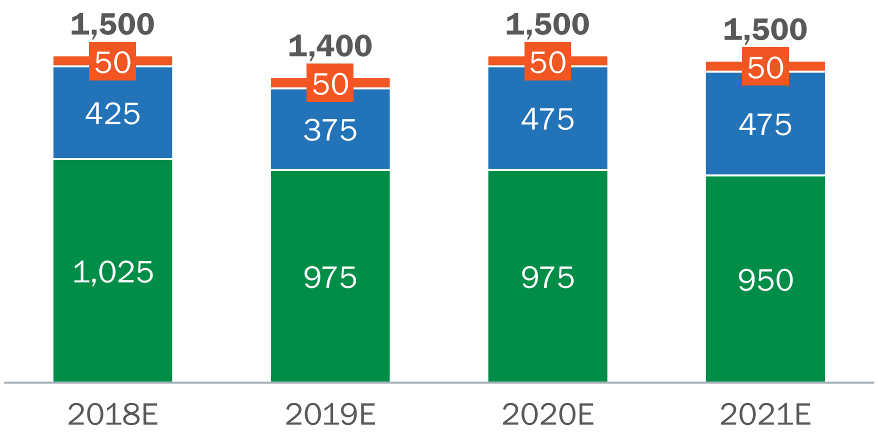
Note: Numbers rounded to nearest $25M and may not add due to rounding. Rate base reflects year-end estimates.



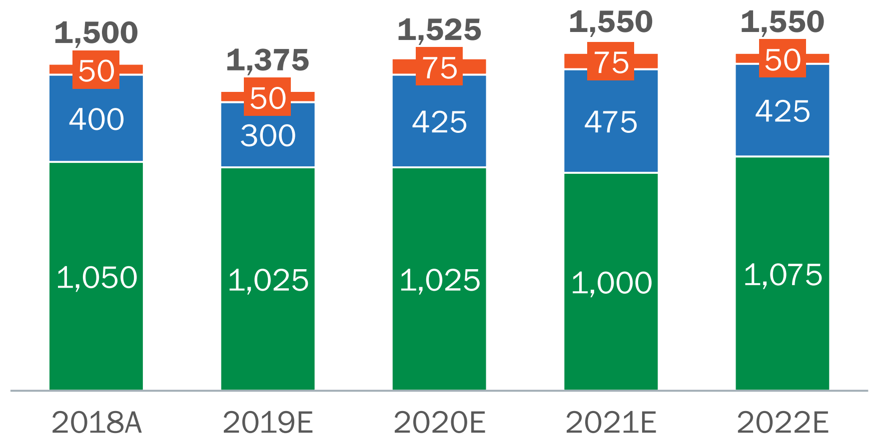
Exelon

# PHI Consolidated Capital Expenditure and Rate Base Forecast

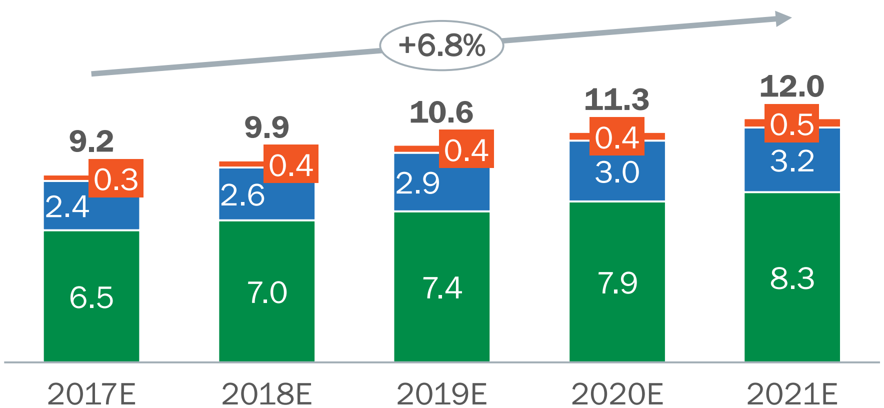
## Q4 2017 Capital Expenditures ($M)



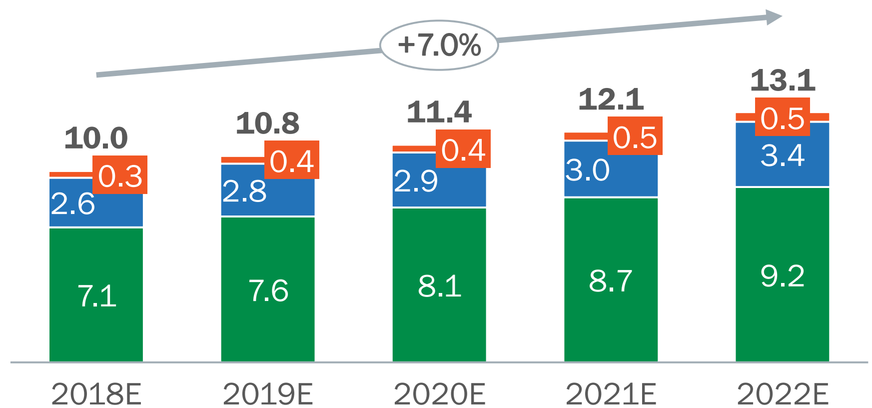

## Q4 2018 Capital Expenditures ($M)




## Q4 2017 Rate Base ($B)




## Q4 2018 Rate Base ($B)




Gas Delivery  Electric Transmission  Electric Distribution

**~$6.0B of Capital being invested from 2019-2022**

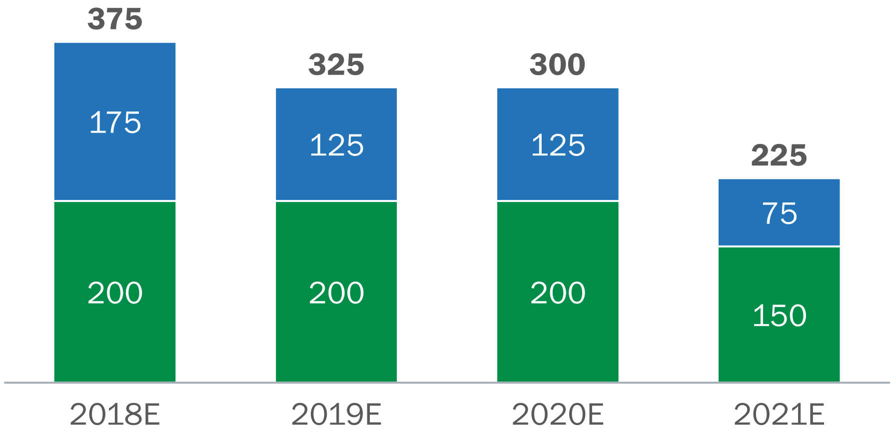
Note: Numbers rounded to nearest $25M and may not add due to rounding. Rate base reflects year-end estimates.



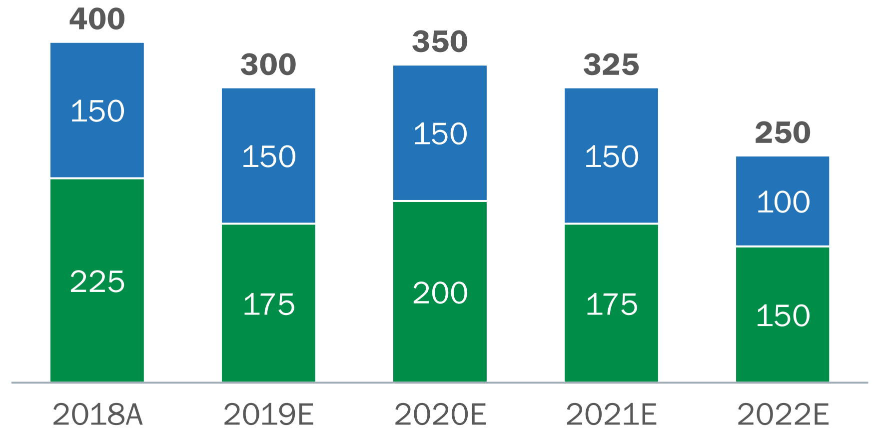
Exelon

# ACE Capital Expenditure and Rate Base Forecast

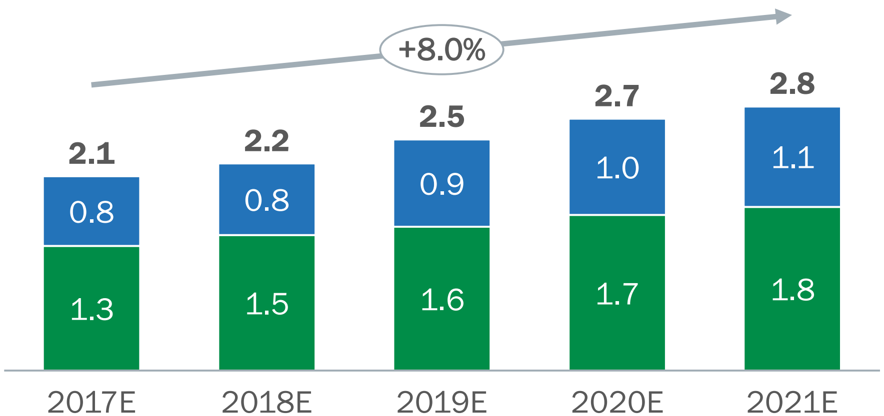
## Q4 2017 Capital Expenditures ($M)



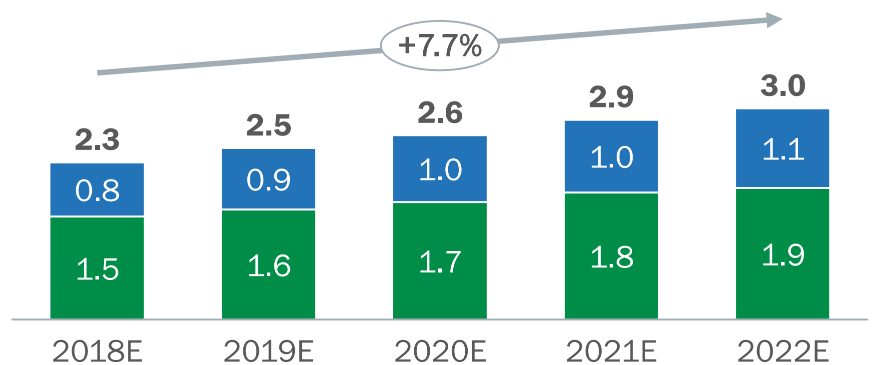

## Q4 2018 Capital Expenditures ($M)




## Q4 2017 Rate Base ($B)




## Q4 2018 Rate Base ($B)



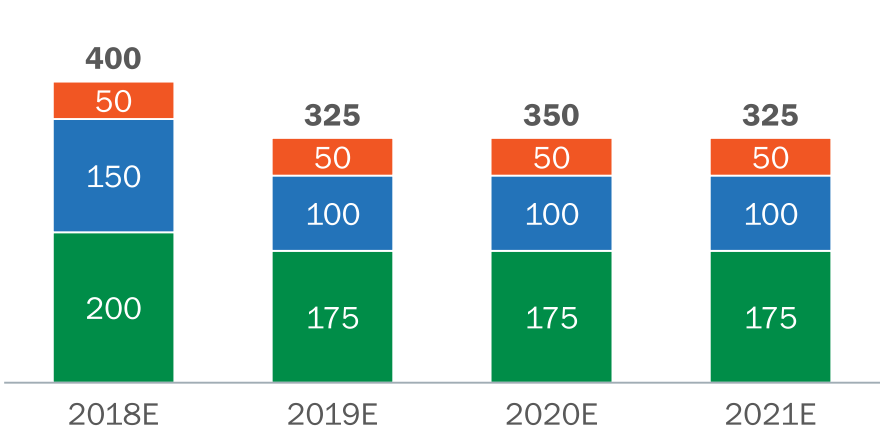

Electric Transmission Electric Distribution

**~$1.2B of Capital being invested from 2019-2022**

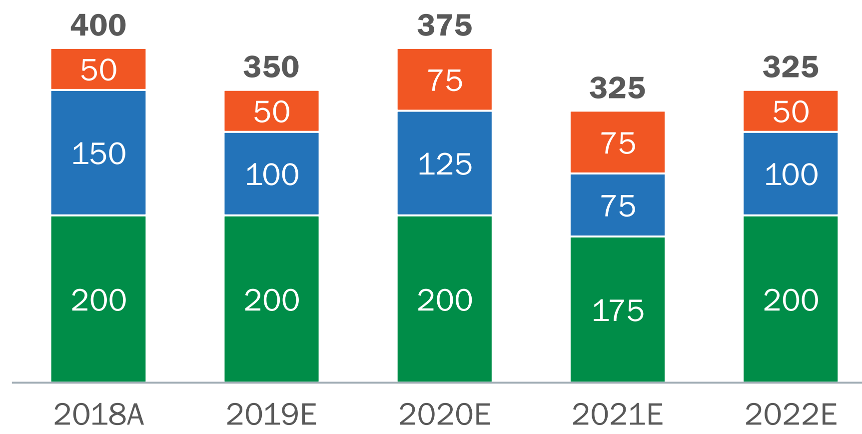
Note: Numbers rounded to nearest $25M and may not add due to rounding. Rate base reflects year-end estimates.

# Delmarva Capital Expenditure and Rate Base Forecast

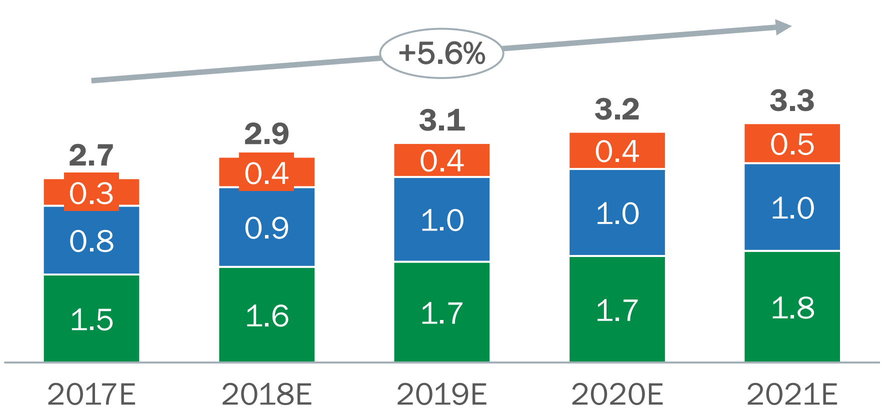
## Q4 2017 Capital Expenditures ($M)



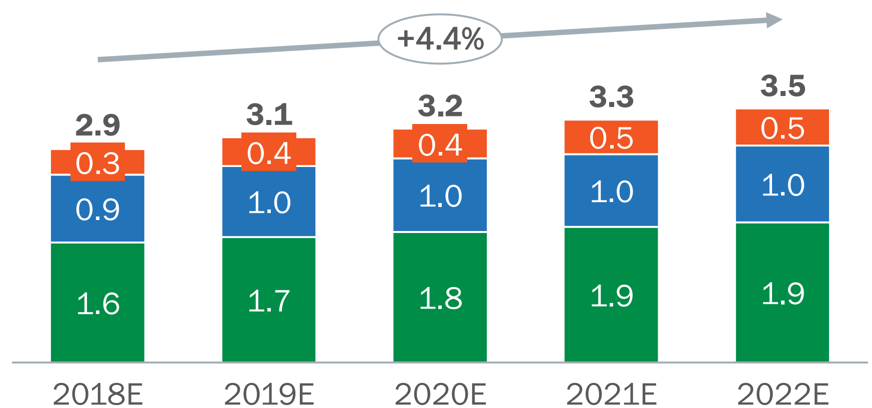

## Q4 2018 Capital Expenditures ($M)




## Q4 2017 Rate Base ($B)




## Q4 2018 Rate Base ($B)



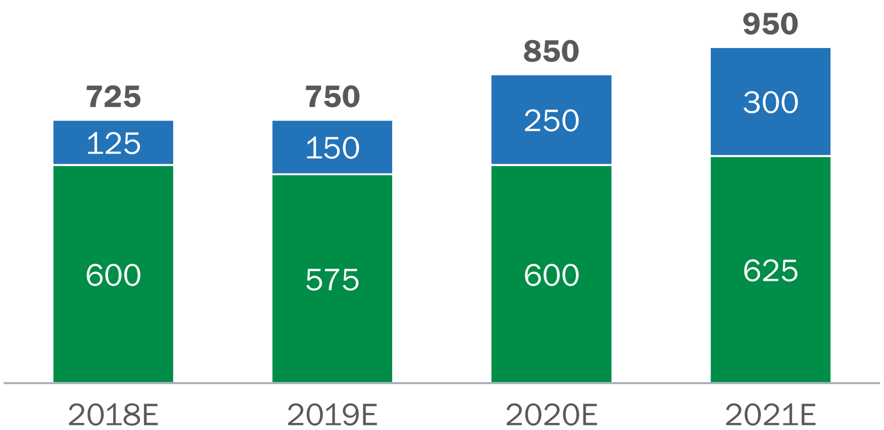

Gas Delivery Electric Transmission Electric Distribution

**~$1.4B of Capital being invested from 2019-2022**

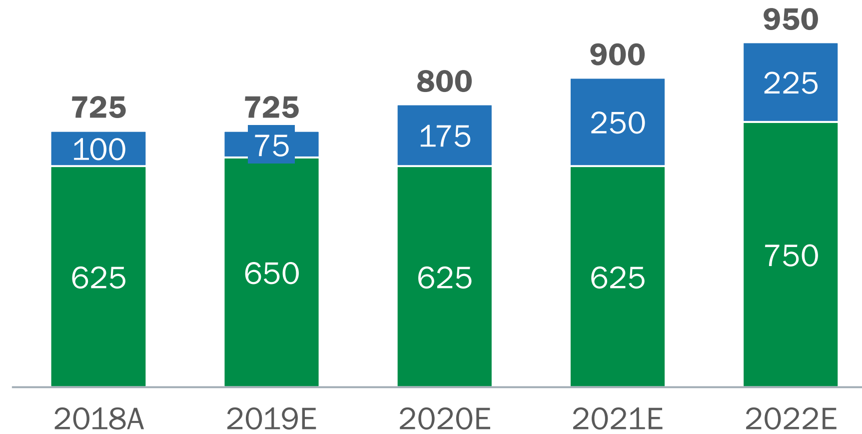
Note: Numbers rounded to nearest $25M and may not add due to rounding. Rate base reflects year-end estimates.

# Pepco Capital Expenditure and Rate Base Forecast

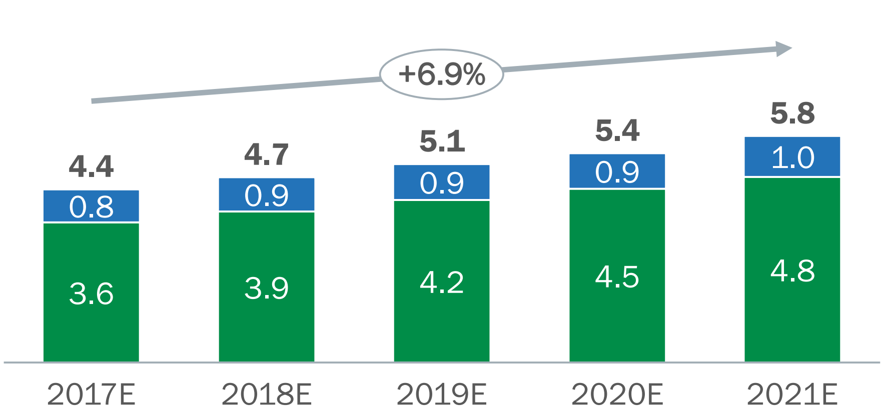
## Q4 2017 Capital Expenditures ($M)



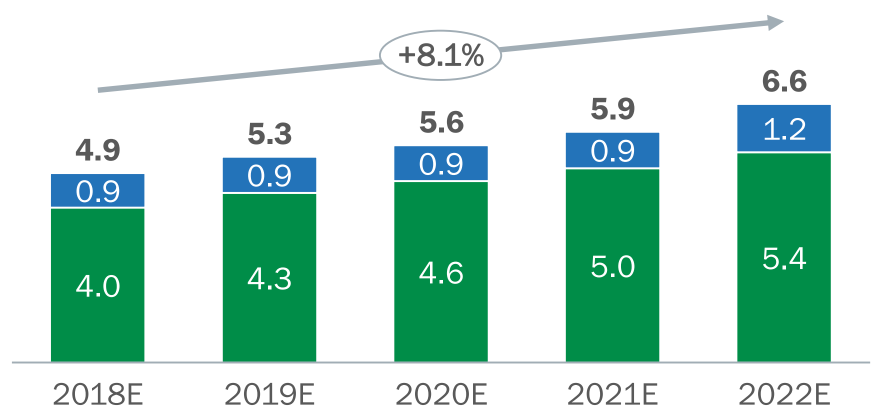

## Q4 2018 Capital Expenditures ($M)




## Q4 2017 Rate Base ($B)




## Q4 2018 Rate Base ($B)




Electric Transmission Electric Distribution

**~$3.4B of Capital being invested from 2019-2022**

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



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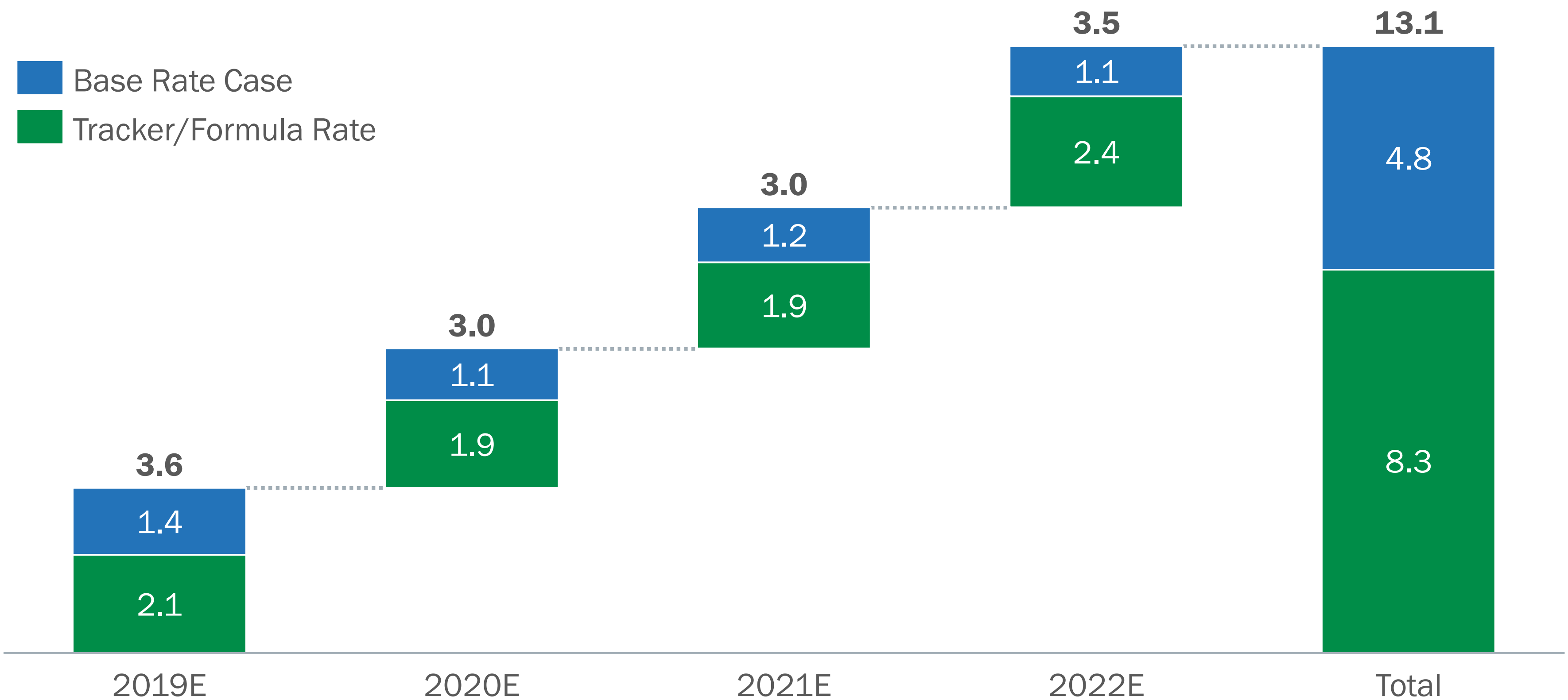
# Mechanisms Cover Bulk of Rate Base Growth

## Rate Base Growth Breakout 2019–2022 ($B)

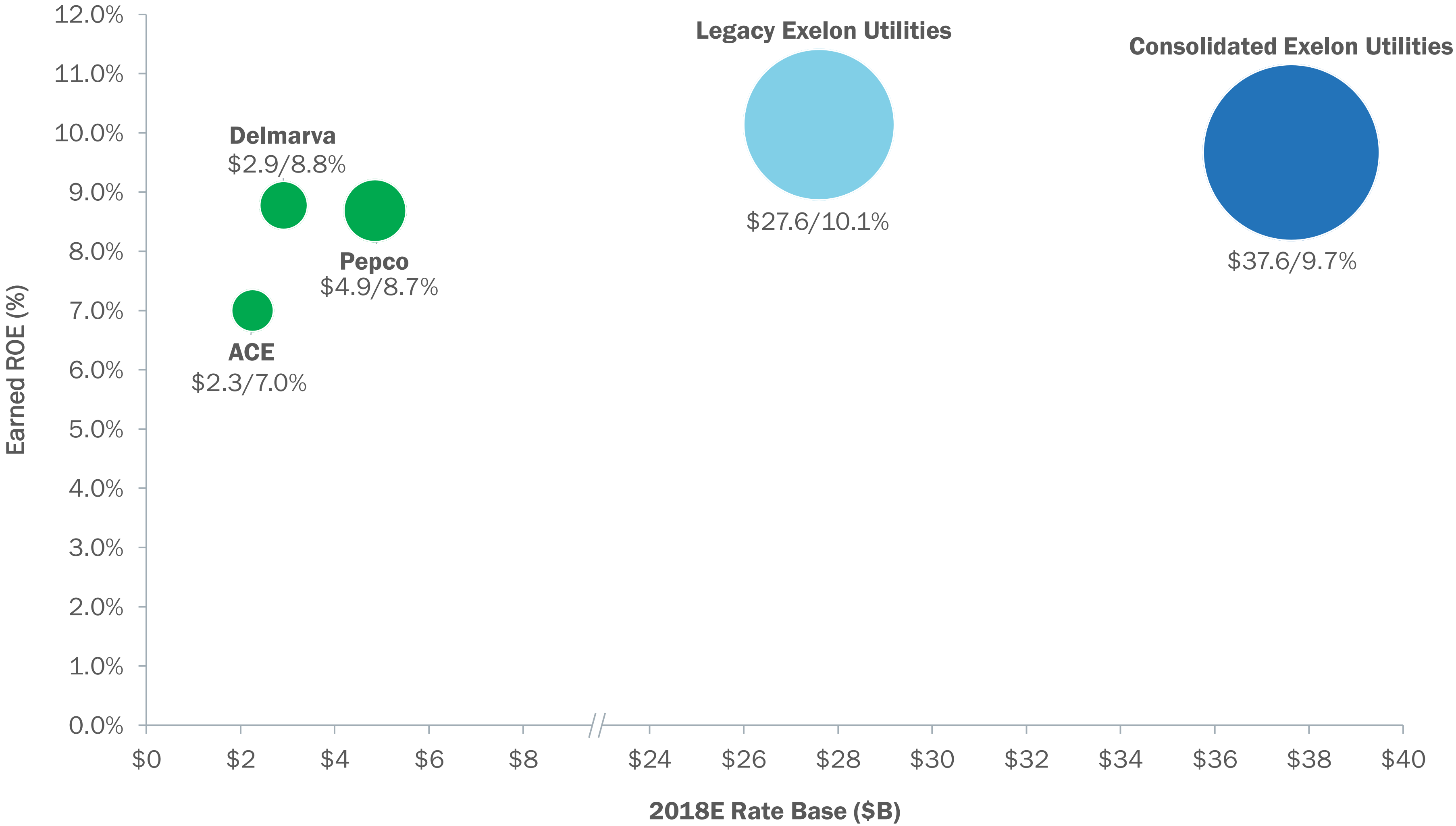



**Of the ~$13.1B of rate base growth Exelon Utilities forecasts over the next 4 years, ~63% will be recovered through existing formula and tracker mechanisms**

Note: Numbers may not add due to rounding

# Exelon Utilities Trailing Twelve Month Earned ROEs*

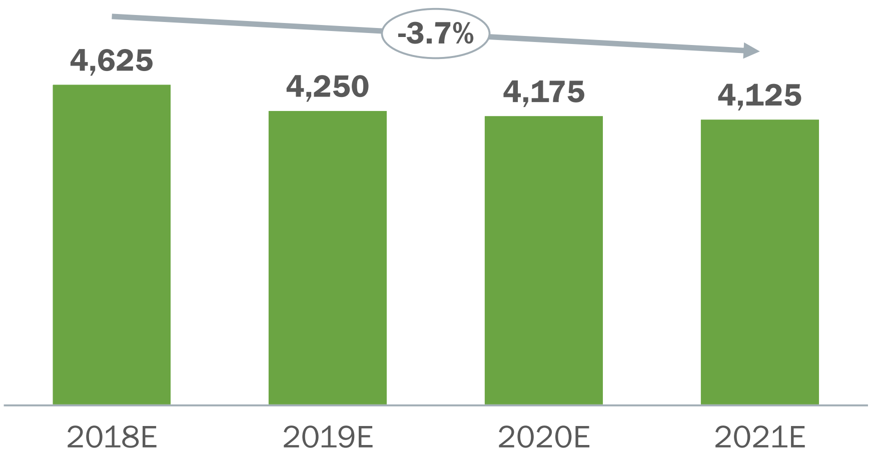
## Q4 2018: Trailing Twelve Month Earned ROEs*



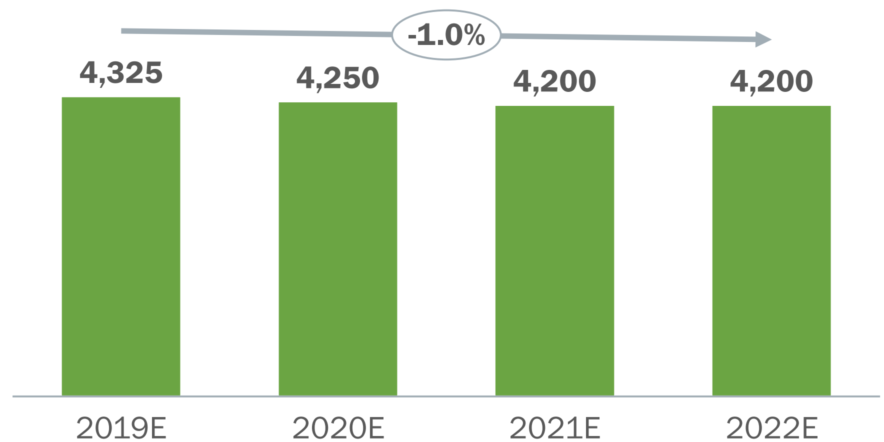

Note: Represents the twelve-month period ending December 31, 2018. Earned ROEs* represent weighted average across all lines of business (Electric Distribution, Gas Distribution, and Electric Transmission). Size of bubble based on rate base.

# ExGen O&M and Capex vs. Previous Disclosure

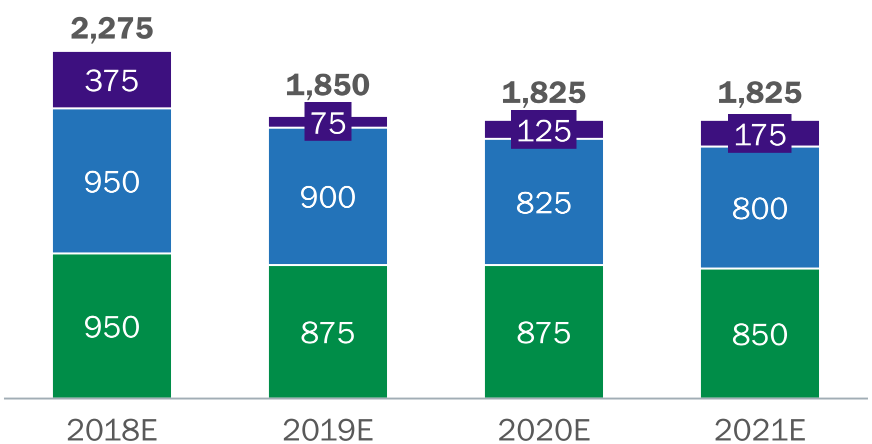
## Adjusted O&M* - Q3 2018 ($M)(1)



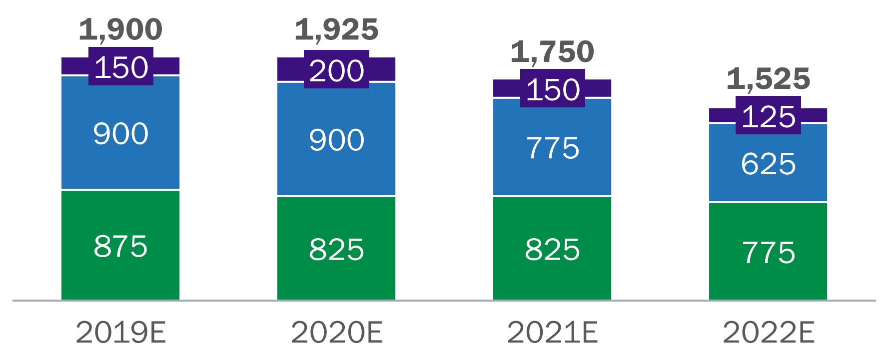

## Adjusted O&M* - Q4 2018 ($M)(1)




## CapEx – Q4 2017 ($M)(1,2)




## CapEx – Q4 2018 ($M)(1,2,3)



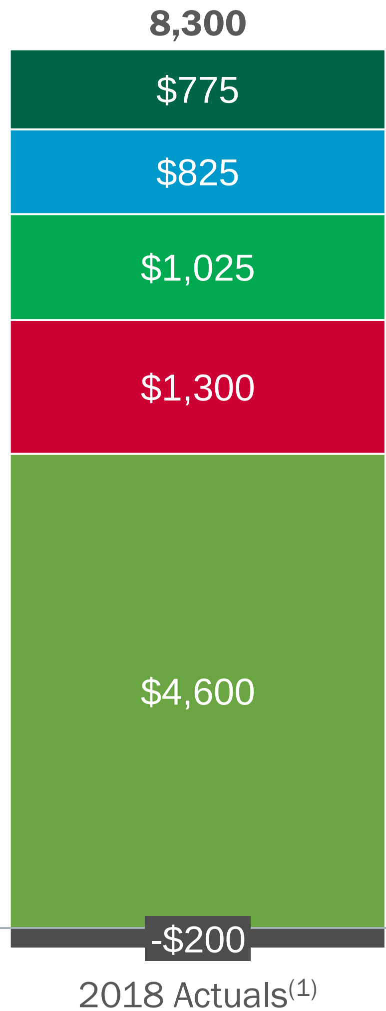

Committed Growth   Nuclear Fuel   Base

(1) O&M and CapEx reflect retirement of TMI in 2019
(2) Capital spend represents cash CapEx with CENG at 100% and excludes merger commitments
(3) 2019E growth capital expenditures reflects a ~$75M shift of cash outlay from 2018A to 2019E related to West Medway and Retail Solar

# Adjusted O&M* Forecast

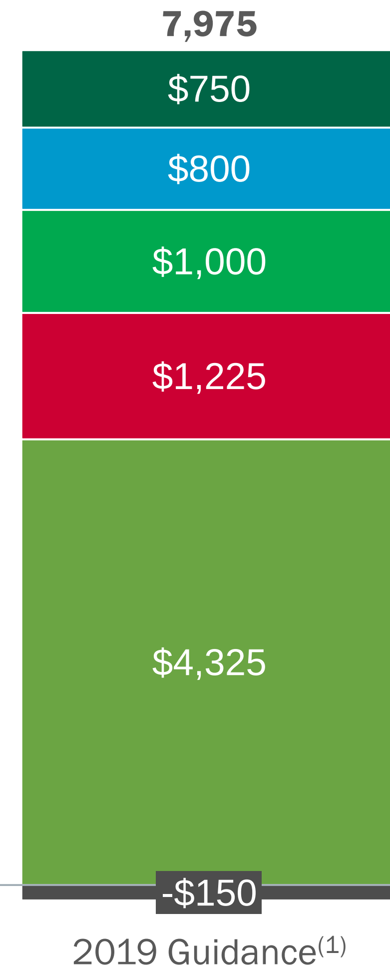
- **Expect Compound Annual Growth Rate of -0.3% for 2019–2022**

***($ in millions)***




**Key Year-over-Year Drivers**

- **BGE**: Return to normal storm (historical average)
- **PECO**: Return to normal storm (historical average)
- **PHI:** Decrease driven by reductions for one-time items in 2018 and ongoing cost reduction efforts in 2019
- **ComEd**: Primarily driven by lower mutual assistance support
- **ExGen**: Cost management initiative, lower planned outages, and impact of nuclear retirements, partly offset by Everett Marine Terminal




BGE PHI ExGen
PECO ComEd HoldCo

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



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# 2019 Projected Sources and Uses of Cash

| ($M)[1] | BGE | ComEd | PECO | PHI | Total Utilities | ExGen | Corp[8] | Exelon 2019E | Cash Balance |
|---|---|---|---|---|---|---|---|---|---|
| **Beginning Cash Balance*[2]** | | | | | | | | | **1,825** |
| Adjusted Cash Flow from Operations*[2] | 700 | 1,425 | 850 | 1,125 | 4,075 | 4,025 | (225) | 7,875 | |
| Base CapEx and Nuclear Fuel[3] | - | - | - | - | - | (1,800) | (50) | (1,850) | |
| **Free Cash Flow*** | **700** | **1,425** | **850** | **1,125** | **4,075** | **2,250** | **(275)** | **6,050** | |
| Debt Issuances | 300 | 700 | 300 | 375 | 1,675 | - | - | 1,675 | |
| Debt Retirements | - | (300) | - | - | (300) | (625) | - | (925) | |
| Project Financing | n/a | n/a | n/a | n/a | n/a | (125) | n/a | (125) | |
| Equity Issuance/Share Buyback | - | - | - | - | - | - | - | - | |
| Contribution from Parent | 200 | 250 | 150 | 200 | 800 | - | (800) | - | |
| Other Financing[4] | 175 | 200 | 25 | (100) | 325 | (125) | 25 | 200 | |
| **Financing*[5]** | **675** | **850** | **475** | **475** | **2,475** | **(875)** | **(775)** | **825** | |
| **Total Free Cash Flow and Financing** | **1,375** | **2,275** | **1,325** | **1,600** | **6,575** | **1,350** | **(1,075)** | **6,850** | |
| Utility Investment | (1,100) | (1,875) | (975) | (1,375) | (5,325) | - | - | (5,325) | |
| ExGen Growth[3,6] | - | - | - | - | - | (150) | - | (150) | |
| Acquisitions and Divestitures | - | - | - | - | - | - | - | - | |
| Equity Investments | - | - | - | - | - | (25) | - | (25) | |
| Dividend[7] | - | - | - | - | - | - | - | (1,400) | |
| **Other CapEx and Dividend** | **(1,100)** | **(1,875)** | **(975)** | **(1,375)** | **(5,325)** | **(175)** | **-** | **(6,925)** | |
| **Total Cash Flow** | **250** | **400** | **350** | **225** | **1,225** | **1,175** | **(1,075)** | **(50)** | |
| **Ending Cash Balance*[2]** | | | | | | | | | **1,775** |

(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, tax sharing from the parent, renewable JV distributions, tax equity cash flows, EDF Tax distributions and capital leases
(5) Financing cash flow excludes intercompany dividends
(6) ExGen Growth CapEx primarily includes Retail Solar and W. Medway
(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 $2.3B at ExGen and $4.1B 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 and retirement of $0.6B of ExGen debt

**Enable growth & value creation**

*Creating value for customers, communities and shareholders*

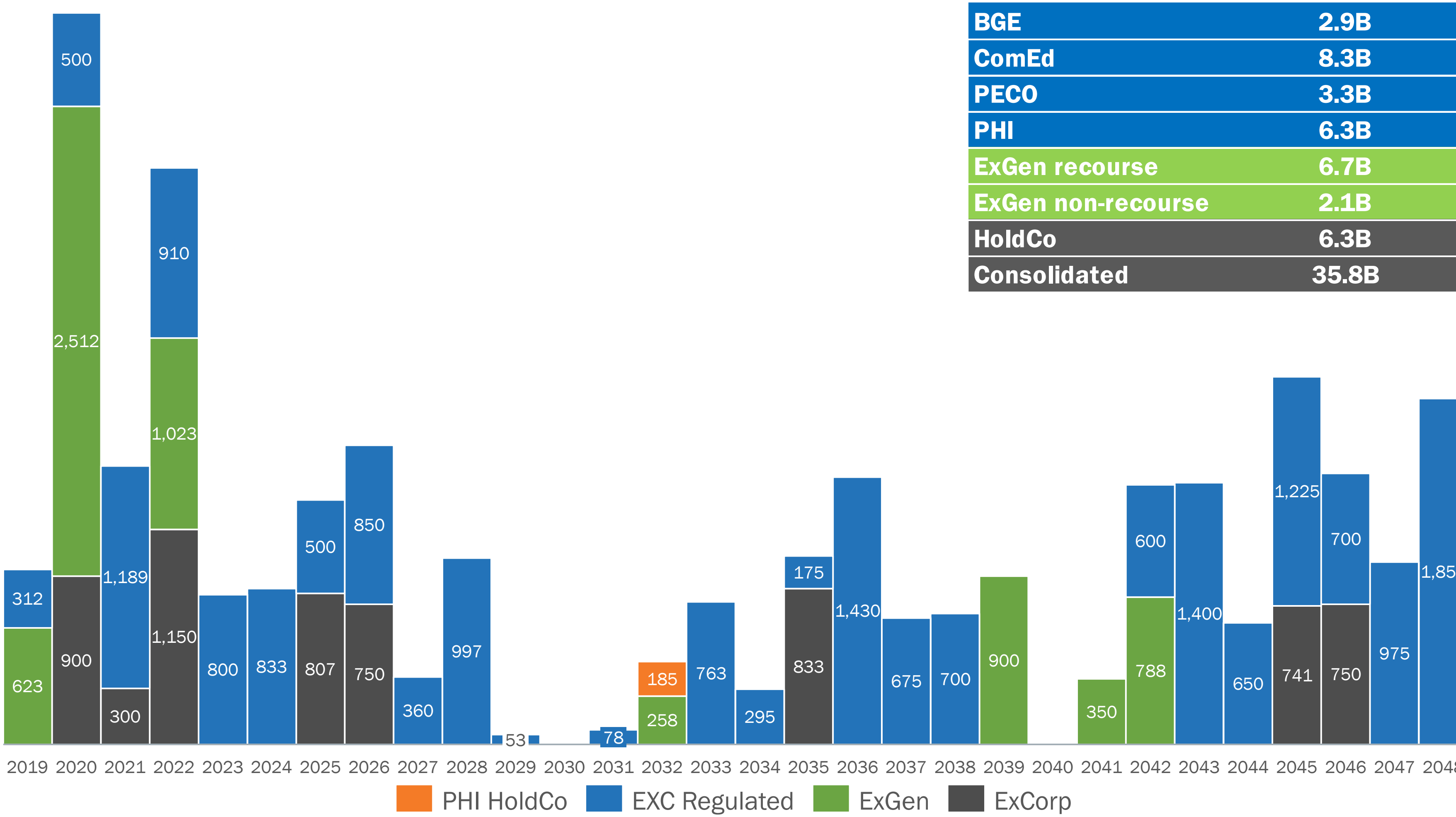
- ✓ Investing $5.5B of growth capex, with $5.3B at the Utilities and $0.2B at ExGen

Note: Numbers may not add due to rounding


Exelon

# Exelon Debt Maturity Profile[1]

*As of 12/31/18*
**($M)**




**LT Debt Balances (as of 12/31/18)** [1,2]

| | |
|---|---|
| BGE | 2.9B |
| ComEd | 8.3B |
| PECO | 3.3B |
| PHI | 6.3B |
| ExGen recourse | 6.7B |
| ExGen non-recourse | 2.1B |
| HoldCo | 6.3B |
| Consolidated | 35.8B |

**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 2018 10-K GAAP financials; ExGen debt includes legacy CEG debt

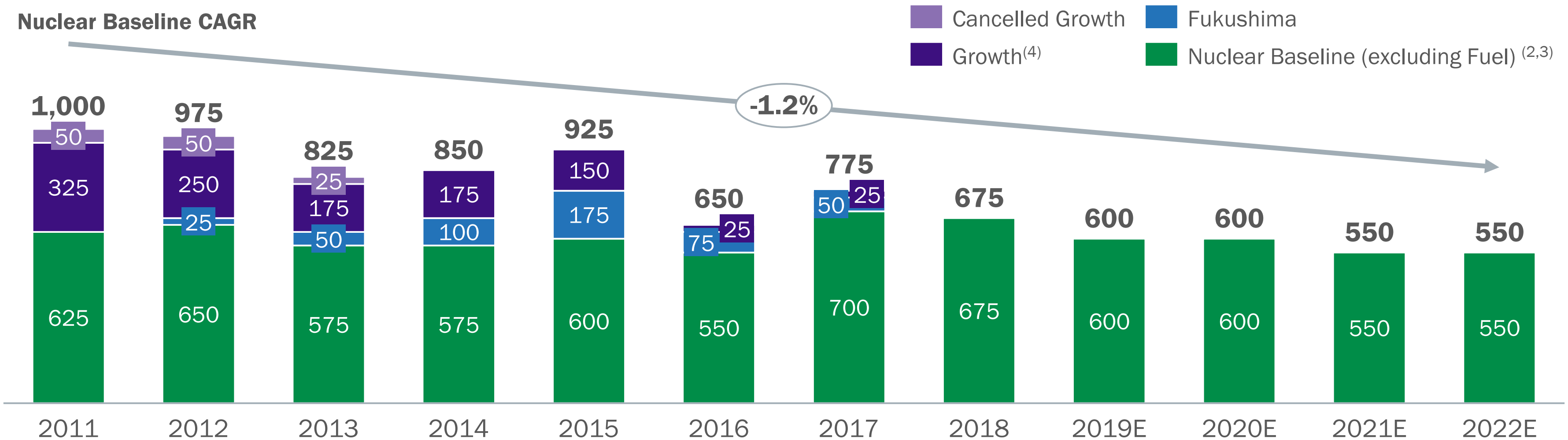
# EPS Sensitivities*

| | | 2019E | 2020E | 2021E |
|---|---|---|---|---|
| ExGen EPS Impact* (1) | Henry Hub Natural Gas | | | |
| | + $1/MMBtu | $0.10 | $0.29 | $0.44 |
| | - $1/MMBtu | ($0.08) | ($0.26) | ($0.41) |
| | NiHub ATC Energy Price | | | |
| | + $5/MWh | $0.03 | $0.17 | $0.26 |
| | - $5/MWh | ($0.03) | ($0.17) | ($0.26) |
| | PJM-W ATC Energy Price | | | |
| | + $5/MWh | ($0.00) | $0.06 | $0.12 |
| | - $5/MWh | $0.01 | ($0.05) | ($0.11) |
| Interest Rate Sensitivity to +50 BP | ComEd ROE | $0.03 | $0.03 | $0.03 |
| | Pension Expense | $0.02 | $0.02 | $0.01 |
| | Cost of Debt | ($0.00) | ($0.01) | ($0.01) |
| | **Share count (millions)** | 973 | 977 | 981 |
| | Exelon Consolidated Effective Tax Rate | 17% | 18% | 17% |
| | ExGen Effective Tax Rate | 21% | 23% | 22% |
| | Exelon Consolidated Cash Tax Rate | 1% | 5% | 4% |

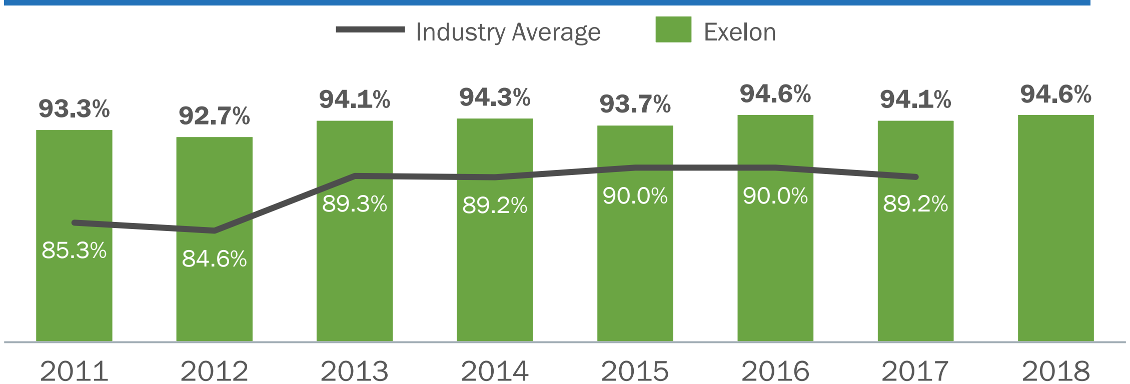
(1) Based on December 31, 2018, market conditions and hedged position. Gas price sensitivities are based on an assumed gas-power relationship derived from an internal model that is updated periodically. Power price sensitivities are derived by adjusting the power price assumption while keeping all other 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[5,6]




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 -1.2%, even with net addition of 2 sites.

(1) Reflects accrual capital expenditures with CENG at 50% ownership. Assumes TMI retirement in September 2019. 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) Industry average is for major operators excluding Exelon and includes 3 months of Fitzpatrick prior to Exelon acquisition. 2018 industry average (excluding Exelon) was not available at the time of publication.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# Exelon Recognition and Partnerships

## Sustainability

**Dow Jones Sustainability Index**
Exelon named to Dow Jones Sustainability Index for 13th consecutive year.

**Newsweek Magazine's Green Rankings**
The Newsweek Green Rankings evaluate corporate sustainability and environmental performance. Exelon ranked in the top three among utilities, No. 12 on the U.S. 500 and No. 24 on the Global 500 list among the world's largest publicly traded companies.

**Land for People Award 2017**
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.

## Diversity and 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 improve 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.

## Community Engagement

**$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.

**Points of Light, "The Civic 50" 2017**
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.

**2017 Laurie D. Zelon Pro Bono Award**
Exelon's legal department was honored by the Pro Bono Institute (PBI) with the 2017 Laurie D. Zelon Pro Bono Award.

**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.

## Workforce

**DiversityInc Top 50 Companies 2018**
Exelon ranked No. 32 on DiversityInc's list of Top 50 companies for diversity and 4th for the top 18 companies in hiring for veterans.

**Indeed.com "50 Best Places to Work" 2017**
Indeed.com ranked Exelon No. 18 on its "50 Best Places to Work."

**Human Rights Campaign "Best Places to Work" 2011-2018**
Exelon earned the designation of "Best Place to Work" on HRC's Corporate Equality Index for a seventh consecutive year in 2018, receiving a perfect score of 100.

**The Military Times Best for Vets 2013-2018**
For the sixth year in a row, Exelon received this recognition for its commitment to providing opportunities to America's veterans.

**Historically Black Engineering Schools 2013-2017**
Exelon was recognized as a top corporate supporter of the nation's historically black engineering programs.

# Climate Leadership Council - Founding Members

**Exelon is a founding member of the Climate Leadership Council (CLC) – an effort to promote a carbon fee-and-dividend program.**

*Corporate Founding Members*

*NGO Founding Members*

## The Four Pillars of a Carbon Dividends Plan:

- **Gradually Increasing Carbon Tax**: Fee would be applied at the point where fossil fuels enter the economy (i.e. wellhead, mine, refinery or port), start at $40/ton and increase 5% a year (the increase could be 10% for years when emissions fail to fall aggressively enough)
- **Carbon Dividends**:  Americans would receive a monthly dividend check - ~$2,000/year to begin, gradually increasing over time as revenue increases; 70% of Americans would be net beneficiaries
- **Border Carbon Adjustments:**  Imports and exports would be subject to a border adjustment
- **Significant Regulatory Rollback:** Much of EPA's regulatory authority over greenhouse gases would be phased out.  Carbon emitters would be protected against federal and state tort liability suit to the extent emissions are covered (e.g., carbon but not methane)

# Exelon Utilities

# Exelon Utilities’ Distribution Rate Case Updates

## Rate Case Schedule and Key Terms

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Revenue Requirement | Requested ROE / Equity Ratio | Expected Order |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ComEd | | | FO | | | | | | | | | | ($24.1M)[1,6] | 8.69% / 47.11% | Dec 4, 2018 |
| Delmarva Gas (DE) | | FO | | | | | | | | | | | ($3.5M)[1,2] | 9.70% / 50.52% | Nov 8, 2018 |
| PECO Electric | | | FO | | | | | | | | | | $24.9M[1,3,7] | N/A | Dec 20, 2018 |
| BGE Gas | RT | EH IB | RB | FO | | | | | | | | | $64.9M[4] | 9.80% / 52.85%[4] | Jan 4, 2019 |
| ACE[5] | | | | | IT | RT | EH | EH | EH | | | FO | $121.9M[1] | 10.10% / 50.22% | Q3 2019 |
| Pepco MD Electric | | | | CF | | | | | | | FO | | $30.0M[1] | 10.30% / 50.50% | Aug 13, 2019 |

CF Rate case filed
IT Intervenor direct testimony
RT Rebuttal testimony
EH Evidentiary hearings
IB Initial briefs
RB Reply briefs
FO Final commission order
SA Settlement agreement

Note: Based on current schedules of Illinois Commerce Commission, Maryland Public Service Commission, Delaware Public Service Commission, Public Service Commission of the District of Columbia, and New Jersey Board of Public Utilities are subject to change

(1) Revenue requirement includes changes in depreciation and amortization expense and other costs 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 on November 1, 2017, and implemented $3.9M full allowable rates on March 17, 2018, subject to refund. Per partial Settlement Agreement filed on September 7, 2018. Includes tax benefits from Tax Cuts and Jobs Act. DPSC is expected to issue the second Final Order by the end of Q1 2019 regarding recovery of costs related to Interface Management Unit (IMU) Battery Replacement.
(3) On December 20, 2018, the PaPUC voted 5-0 to approve a settlement agreement in PECO’s 2018 electric distribution rate case that will go into effect on January 1, 2019. The black box approval does not stipulate any ROE, Equity Ratio and Rate Base.
(4) Reflects $43.2M increase and $21.7M STRIDE reset. Test year updated for May-July 2018 actuals and reflects long-term debt issuance made in September 2018.
(5) ACE plans to put interim rates in effect nine months after the filing date, subject to refund, as allowed by the regulations.
(6) Original filing amount was ($22.9M). Recent discovery period removed additional ($1.2M) of revenue requirement to limit issues in the proceeding.
(7) Reflects a $96M revenue requirement increase less $71M of 2019 TCJA related tax benefits

# ACE Distribution Rate Case Filing

| | Rate Case Filing Details |
|---|---|
| **Docket No.** | ER-18080925 |
| **Test Year** | January 1, 2018 – December 31, 2018 |
| **Test Period** | 9 months actual and 3 months estimated |
| **Requested Common Equity Ratio** | 50.22% |
| **Requested Rate of Return** | ROE: 10.10%; ROR: 7.35% |
| **Proposed Rate Base (Adjusted)** | $1.6B |
| **Requested Revenue Requirement Increase** | $121.9M(1) |
| **Residential Total Bill % Increase** | 10.8% |

## Notes

- August 21 2018, ACE filed a distribution base rate case with the New Jersey Board of Public Utilities (BPU) to increase distribution base rates
- Size of ask is primarily driven by increased depreciation expense, continued investment in infrastructure to maintain and improve reliability and customer satisfaction, and higher O&M costs
- Forward looking additions through June 2019 ($9.8M of revenue requirement based on 10.10% ROE) included in revenue requirement request
- Interim rates expected to go in effect in May 2019, subject to refund, as allowed by the regulations

## Detailed Rate Case Schedule(2)

| | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Filed rate case | 8/21/2018 | | | | | | | | | | | | | |
| Intervenor testimony | | | | | | | 2/5/2019 | | | | | | | |
| Rebuttal testimony | | | | | | | | 3/14/2019 | | | | | | |
| Evidentiary hearings | | | | | | | | | 04/23/2019 - 06/04/2019 | | | | | |
| Initial briefs due | | | | | | | | | | | | | | |
| Reply briefs due | | | | | | | | | | | | | | |
| Commission order expected | | | | | | | | | | | | Q3 2019 | | |

(1) Revenue requirement includes changes in depreciation and amortization expense and other costs where applicable, which have no impact on pre-tax earnings
(2) ACE plans to put interim rates in effect nine months after the filing date, subject to refund, as allowed by the regulations



Exelon.

# BGE (Gas) Distribution Rate Case Filing

| | Rate Case Filing Details |
|---|---|
| **Docket No.** | Case No. 9484 |
| **Test Year** | August 1, 2017 – July 31, 2018 |
| **Test Period** | 12 months actual |
| **Common Equity Ratio** | 52.85%(1) |
| **Rate of Return** | ROE: 9.80%; ROR: 7.09%(1) |
| **Rate Base (Adjusted)** | $1.6B |
| **Revenue Requirement Increase** | $64.9M(1) |
| **Residential Total Bill % Increase** | ~2.4%(2) |

## Notes

- Case filed on June 8, 2018 seeking an increase in gas distribution revenues only
- The increase is primarily driven by infrastructure investments since 2015/2016, and includes moving revenues currently being recovered via the STRIDE surcharge into base rates
- The Commission issued its order on this case on January 4, 2019

## Detailed Rate Case Schedule

Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb

| | |
|---|---|
| Filed rate case | 06/08/2018 |
| Intervenor testimony | 09/14/2018 |
| Rebuttal testimony | 10/12/2018 |
| Evidentiary hearings | 11/2/2018 – 11/16/2018 |
| Initial briefs due | 11/2018 |
| Reply briefs due | 12/2018 |
| Commission order | 01/04/2019 |

(1) Reflects $43.2M increase and $21.7M STRIDE reset. Test year updated for May-July 2018 actuals and reflects long-term debt issuance made in September 2018.
(2) Increase expressed as a percentage of a combined electric and gas residential customer total bill


Exelon.

# ComEd Distribution Rate Case Filing

| | Rate Case Filing Details |
|---|---|
| **Docket No.** | 18-0808 |
| **Test Year** | January 1, 2017 – December 31, 2017 |
| **Test Period** | 2017 Actual Costs + 2018 Projected Plant Additions |
| **Common Equity Ratio** | 47.11% |
| **Rate of Return** | ROE: 8.69%; ROR: 6.52% |
| **Rate Base (Adjusted)** | $10,675M |
| **Revenue Requirement Decrease** | ($24.1M)[1,2] |
| **Residential Total Bill % Decrease** | (1%) |

## Notes

- April 16, 2018, ComEd filed its annual distribution formula rate update with the Illinois Commerce Commission seeking a decrease to distribution base rates
- The decrease is primarily driven by an adjustment for forecasted tax benefits resulting from federal tax reform, partially offset by continued investment in the electric grid, state tax rate increase, elimination of bonus depreciation and weather/economic impacts

## Detailed Rate Case Schedule

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Filed rate case | | | | ▲ 4/16/2018 | | | | | | | | |
| Intervenor testimony | | | | | | ▲ 6/28/2018 | | | | | | |
| Rebuttal testimony | | | | | | | ▲ 7/23/2018 | | | | | |
| Evidentiary hearings | | | | | | | | ▲ 8/28/2018 | | | | |
| Initial briefs | | | | | | | | | ▲ 9/11/208 | | | |
| Reply briefs | | | | | | | | | ▲ 9/25/2018 | | | |
| Commission order | | | | | | | | | | | | 12/4/2018 ▲ |

(1) Revenue requirement includes changes in depreciation and amortization expense and other costs where applicable, which have no impact on pre-tax earnings
(2) Original filing amount was ($22.9M). Recent discovery period removed additional ($1.2M) of revenue requirement to limit issues in the proceeding.

# Delmarva DE (Gas) Distribution Rate Case Filing

| | Rate Case Filing Details | Notes |
|---|---|---|
| **Docket No.** | 17-0978 - Per Settlement (Black Box) | • August 17, 2017, Delmarva DE filed an application with the Delaware Public Service Commission (DPSC) seeking an increase in gas distribution base rates<br>• September 7, 2018, Delmarva Power filed a partial gas Settlement Agreement and requested a decrease in revenue requirement of ($3.5M)(2)<br>• The partial Settlement Agreement resolves all issues except a $3.5M regulatory asset related to the Interface Management Unit (IMU) batteries<br>• November 8, 2018, DPSC approved settlement<br>• DPSC expected to issue second Final Order by end of Q1 2019 regarding recovery of costs related to IMU Battery Replacement |
| **Test Year** | January 1, 2017 – December 31, 2017 | |
| **Test Period** | 8 months actual and 4 months estimated | |
| **Common Equity Ratio** | 50.52%(2) | |
| **Rate of Return** | ROE: 9.70%; ROR: 6.78%(2) | |
| **Rate Base (Adjusted)** | N/A | |
| **Revenue Requirement Decrease** | ($3.5M)(1,2) | |
| **Residential Total Bill % Decrease** | (2.6%)(2) | |

## Detailed Rate Case Schedule

| | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Filed rate case | ▲ 8/17/2017 | | | | | | | | | | | | | | | | |
| Intervenor testimony | | | | | | | | | | ▲ 5/7/2018 | | | | | | | |
| Rebuttal testimony | | | | | | | | | | | | ▲ 7/6/2018 | | | | | |
| Settlement agreement | | | | | | | | | | | | | | ▲ 9/7/2018 | | | |
| Settlement support testimony | | | | | | | | | | | | | | ▲ 9/7/2018 | | | |
| Evidentiary hearings | | | | | | | | | | | | | | ▲ 9/7/2018 | | | |
| Commission order | | | | | | | | | | | | | | | | 11/8/2018 ▲ | |

(1) Revenue requirement includes changes in depreciation and amortization expense and other costs 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 on November 1, 2017, and implemented $3.9M full allowable rates on March 17, 2018, subject to refund. Per partial Settlement Agreement filed on September 7, 2018. Includes tax benefits from Tax Cuts and Jobs Act.

# PECO Distribution Rate Case Filing

| Rate Case Settlement Details | |
|---|---|
| **Docket No.** | R-2018-3000164 |
| **Test Year** | January 1, 2019 – December 31, 2019 |
| **Test Period** | 12 Months Budget (Fully projected future test year) |
| **Common Equity Ratio** | N/A |
| **Rate of Return** | ROE: N/A; ROR: N/A |
| **Rate Base** | N/A |
| **Revenue Requirement Increase** | $24.9M[1,2] |
| **Residential Total Bill % Increase** | 1.2% |

**Notes**

- PECO filed an electric distribution base rate case on March 29, 2018
- On December 20, 2018, the PaPUC voted 5-0 to approve a settlement agreement in PECO's 2018 electric distribution rate case that went into effect on January 1, 2019. The black box approval does not stipulate any ROE, Equity Ratio or Rate Base.
- The approval amount of $96M[2] represents 63% of the $153M ask. This is in line with prior PA electric distribution rate case outcomes.

## Detailed Rate Case Schedule

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Pre-filing notice | | ▲ 2/27/2018 | | | | | | | | | | |
| Filed rate case | | | ▲ 3/29/2018 | | | | | | | | | |
| Intervenor testimony | | | | | | ▲ 6/26/2018 | | | | | | |
| Rebuttal testimony | | | | | | | ▲ 7/24/2018 | | | | | |
| Evidentiary hearings | | | | | | | | ▲ 8/21/2018 | | | | |
| Initial briefs | | | | | | | | | ▲ 9/07/2018 | | | |
| Reply briefs | | | | | | | | | ▲ 9/17/2018 | | | |
| Commission order | | | | | | | | | | | | 12/20/2018 ▲ |

(1) Revenue requirement includes changes in depreciation and amortization expense and other costs where applicable, which have no impact on pre-tax earnings
(2) Reflects a $96M revenue requirement increase less $71M of 2019 TCJA related tax benefits

# Pepco MD (Electric) Distribution Rate Case Filing

| | Rate Case Filing Details |
|---|---|
| **Case No.** | 9602 |
| **Test Year** | February 1, 2018 – January 31, 2019 |
| **Test Period** | 8 months actual and 4 months estimated |
| **Requested Common Equity Ratio** | 50.50% |
| **Requested Rate of Return** | ROE: 10.30%; ROR: 7.81% |
| **Proposed Rate Base (Adjusted)** | $2.0B |
| **Requested Revenue Requirement Increase** | $30.0M |
| **Residential Total Bill % Increase** | 2.76% |

## Notes

- Pepco MD filed an application with the Maryland Public Service Commission (MDPSC) on January 15, 2019, seeking an increase in electric distribution base rates
- Size of ask is driven by continued investments in electric distribution system to maintain and increase reliability and customer service
- Forward looking reliability plant additions through July 2019 ($6.6M of Revenue Requirement based on 10.30% ROE) included in revenue requirement request

## Detailed Rate Case Schedule

| | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Filed rate case | | ▲ 1/15/2019 | | | | | | | | | | |
| Intervenor testimony | | | | | | | | | | | | |
| Rebuttal testimony | | | | | | | | | | | | |
| Evidentiary hearings | | | | | | | | | | | | |
| Commission order expected | | | | | | | | | ▲ 8/13/2019 | | | |

# Exelon Generation Disclosures

**December 31, 2018**

# Portfolio Management Strategy

### Strategic Policy Alignment

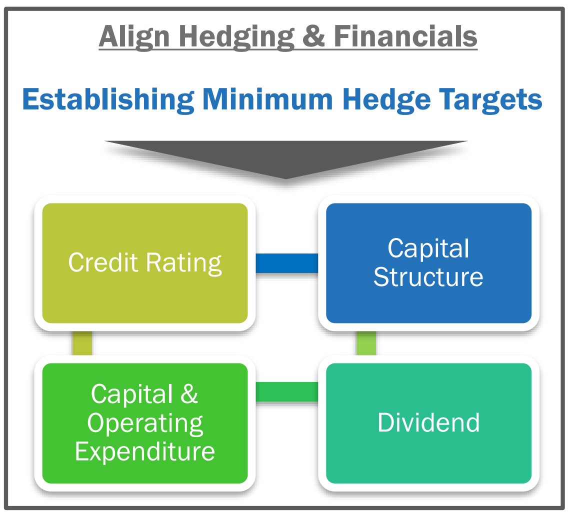
- Aligns hedging program with financial policies and financial outlook
  - Establish minimum hedge targets to meet financial objectives of the company (dividend, credit rating)
  - Hedge enough commodity risk to meet future cash requirements under a stress scenario

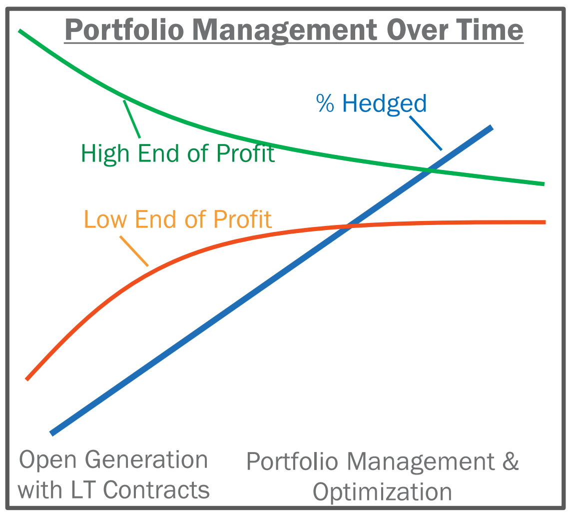
### Three-Year Ratable Hedging

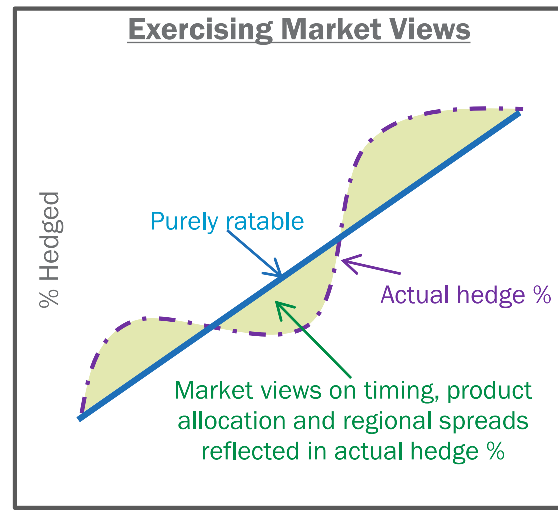
- Ensure stability in near-term cash flows and earnings
  - Disciplined approach to hedging
  - Tenor aligns with customer preferences and market liquidity
  - Multiple channels to market that allow us to maximize margins
  - Large open position in outer years to benefit from price upside

### 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**

# Components of Gross Margin* Categories

| Gross margin linked to power production and sales | | | | Gross margin from other business activities | |
|---|---|---|---|---|---|
| **Open Gross Margin** | **Capacity and ZEC Revenues** | **MtM of Hedges[2]** | **"Power" New Business** | **"Non Power" Executed** | **"Non Power" New Business** |
| • Generation Gross Margin at current market prices, including ancillary revenues, nuclear fuel amortization and fuels expense<br>• Power Purchase Agreement (PPA) Costs and Revenues<br>• Provided at a consolidated level for all regions (includes hedged gross margin for South, West, New England and Canada[1]) | • Expected capacity revenues for generation of electricity<br>• Expected revenues from Zero Emissions Credits (ZEC) | • Mark-to-Market (MtM) of power, capacity and ancillary hedges, including cross commodity, retail and wholesale load transactions<br>• Provided directly at a consolidated level for four major regions. Provided indirectly for each of the four major regions via Effective Realized Energy Price (EREP), reference price, hedge %, expected generation. | • Retail, Wholesale planned electric sales<br>• Portfolio Management new business<br>• Mid marketing new business | • Retail, Wholesale executed gas sales<br>• Energy Efficiency[4]<br>• BGE Home[4]<br>• Distributed Solar | • Retail, Wholesale planned gas sales<br>• Energy Efficiency[4]<br>• BGE Home[4]<br>• Distributed Solar<br>• Portfolio Management / origination fuels new business<br>• Proprietary trading[3] |

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

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

(1) Hedged gross margins for South, West, New England & 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 four 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, New England & Canada regions and optimization of fuel and PPA activities captured in Open Gross Margin

# ExGen Disclosures

| Gross Margin Category ($M)[1] | December 31, 2018<br>2019 | 2020 | 2021 |
|---|---|---|---|
| Open Gross Margin (including South, West, New England & Canada hedged GM)[2,5] | $4,350 | $4,050 | $3,750 |
| Capacity and ZEC Revenues[2,5] | $2,050 | $1,900 | $1,850 |
| Mark-to-Market of Hedges[2,3] | $250 | $250 | $100 |
| Power New Business / To Go | $500 | $700 | $900 |
| Non-Power Margins Executed | $200 | $150 | $150 |
| Non-Power New Business / To Go | $300 | $350 | $400 |
| **Total Gross Margin*[4,5]** | **$7,650** | **$7,400** | **$7,150** |

| Reference Prices[1] | 2019 | 2020 | 2021 |
|---|---|---|---|
| Henry Hub Natural Gas ($/MMBtu) | $2.85 | $2.67 | $2.61 |
| Midwest: NiHub ATC prices ($/MWh) | $26.60 | $25.12 | $24.26 |
| Mid-Atlantic: PJM-W ATC prices ($/MWh) | $33.42 | $32.45 | $30.84 |
| ERCOT-N ATC Spark Spread ($/MWh)<br>*HSC Gas, 7.2HR, $2.50 VOM* | $13.29 | $9.71 | $7.60 |
| New York: NY Zone A ($/MWh) | $32.46 | $30.69 | $31.31 |

(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, 2018 market conditions
(5) Reflects TMI retirement by September 2019

# ExGen Disclosures

| Generation and Hedges | December 31, 2018<br>2019 | <br>2020 | <br>2021 |
|---|---|---|---|
| **Exp. Gen (GWh)[1]** | **193,200** | **185,100** | **180,700** |
| Midwest | 96,900 | 96,400 | 95,300 |
| Mid-Atlantic[2,6] | 54,000 | 48,500 | 48,700 |
| ERCOT | 25,700 | 24,500 | 20,100 |
| New York[2] | 16,600 | 15,700 | 16,600 |
| **% of Expected Generation Hedged[3]** | **89%-92%** | **56%-59%** | **32%-35%** |
| Midwest | 86%-89% | 51%-54% | 29%-32% |
| Mid-Atlantic[2,6] | 96%-99% | 68%-71% | 40%-43% |
| ERCOT | 76%-79% | 44%-47% | 22%-25% |
| New York[2] | 101%-104% | 66%-69% | 40%-43% |
| **Effective Realized Energy Price ($/MWh)[4]** | | | |
| Midwest | $28.50 | $28.00 | $28.50 |
| Mid-Atlantic[2,6] | $39.00 | $37.00 | $32.50 |
| ERCOT[5] | $2.00 | $1.00 | $1.50 |
| New York[2] | $34.50 | $34.00 | $30.00 |

(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 11 refueling outages in 2019, 14 in 2020, and 13 in 2021 at Exelon-operated nuclear plants and Salem. Expected generation assumes capacity factors of 94.5%, 93.9%, and 94.1% in 2019, 2020, and 2021, respectively at Exelon-operated nuclear plants, at ownership. These estimates of expected generation in 2019, 2020 and 2021 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

(6) Reflects TMI retirement by September 2019

# ExGen Hedged Gross Margin* Sensitivities

| | December 31, 2018 | | |
|---|---|---|---|
| **Gross Margin* Sensitivities (with existing hedges)[1]** | **2019** | **2020** | **2021** |
| **Henry Hub Natural Gas ($/MMBtu)** | | | |
| + $1/MMBtu | $135 | $385 | $580 |
| - $1/MMBtu | $(105) | $(340) | $(540) |
| **NiHub ATC Energy Price** | | | |
| + $5/MWh | $45 | $225 | $345 |
| - $5/MWh | $(45) | $(220) | $(345) |
| **PJM-W ATC Energy Price** | | | |
| + $5/MWh | $(5) | $75 | $155 |
| - $5/MWh | $10 | $(70) | $(150) |
| **NYPP Zone A ATC Energy Price** | | | |
| + $5/MWh | $(10) | $25 | $50 |
| - $5/MWh | $10 | $(25) | $(50) |
| **Nuclear Capacity Factor** | | | |
| +/- 1% | +/- $35 | +/- $35 | +/- $30 |

(1) Based on December 31, 2018, 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



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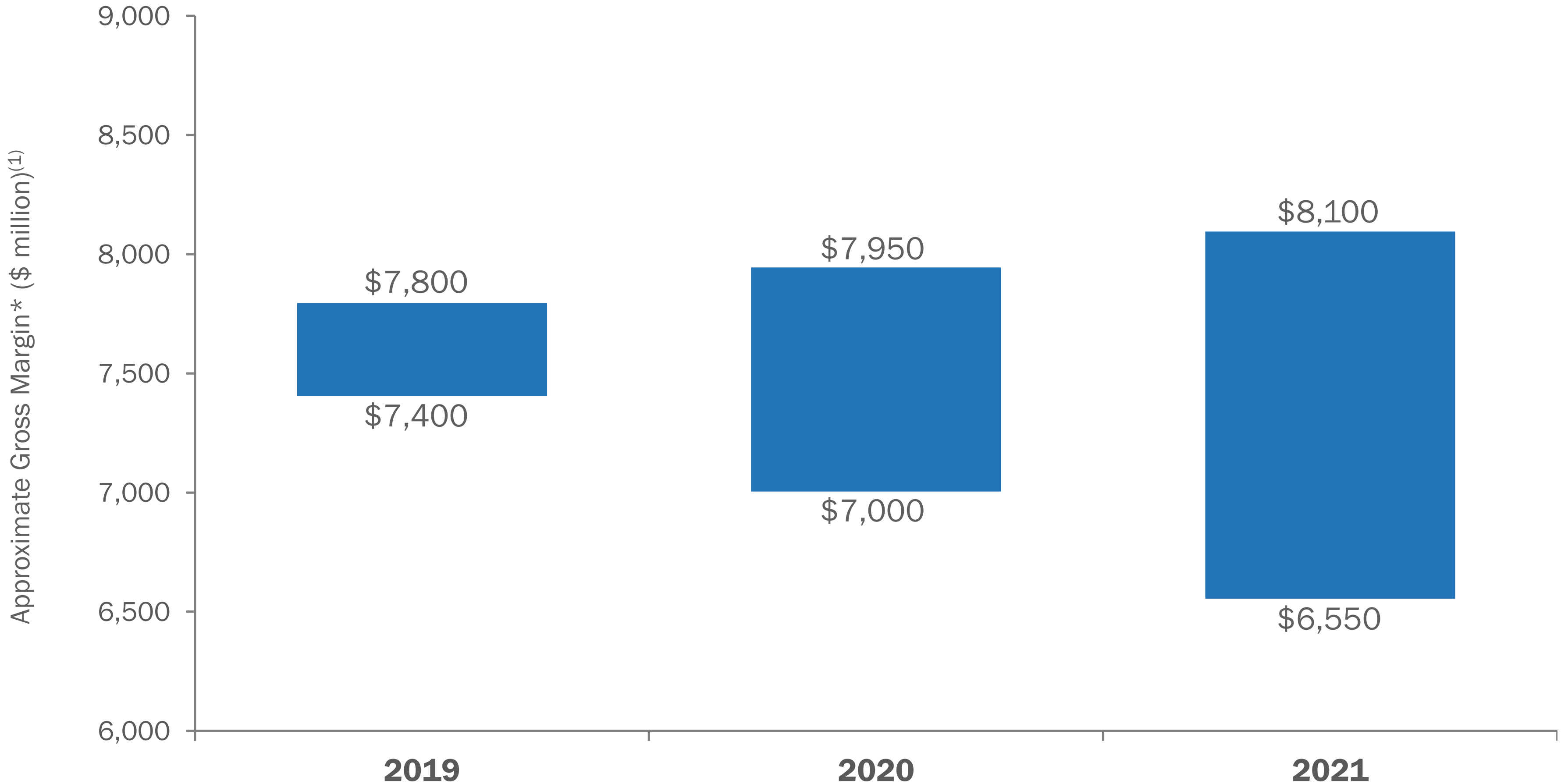
# ExGen Hedged Gross Margin* Upside/Risk




(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, 2020 and 2021 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, 2018. Gross Margin Upside/Risk based on commodity exposure which includes open generation and all committed transactions. Reflects TMI retirement by September 2019.

# Illustrative Example of Modeling Exelon Generation 2020 Total Gross Margin*

| Row | Item | Midwest | Mid-Atlantic | ERCOT | New York | South, West, NE & Canada |
|---|---|---|---|---|---|---|
| (A) | Start with fleet-wide open gross margin | ← | | $4.05 billion | | → |
| (B) | Capacity and ZEC | ← | | $1.9 billion | | → |
| | | | | | | |
| (C) | Expected Generation (TWh) | 96.4 | 48.5 | 24.5 | 15.7 | |
| (D) | Hedge % (assuming mid-point of range) | 52.5% | 69.5% | 45.5% | 67.5% | |
| (E=C*D) | Hedged Volume (TWh) | 50.6 | 33.7 | 11.1 | 10.6 | |
| | | | | | | |
| (F) | Effective Realized Energy Price ($/MWh) | $28.00 | $37.00 | $1.00 | $34.00 | |
| (G) | Reference Price ($/MWh) | $25.12 | $32.45 | $9.71 | $30.69 | |
| (H=F-G) | Difference ($/MWh) | $2.88 | $4.55 | ($8.71) | $3.31 | |
| | | | | | | |
| (I=E*H) | Mark-to-Market value of hedges ($ million)[1] | $145 | $155 | ($95) | $35 | |
| | | | | | | |
| (J=A+B+I) | Hedged Gross Margin ($ million) | | | $6,200 | | |
| (K) | Power New Business / To Go ($ million) | | | $700 | | |
| (L) | Non-Power Margins Executed ($ million) | | | $150 | | |
| (M) | Non-Power New Business / To Go ($ million) | | | $350 | | |
| **(N=J+K+L+M)** | **Total Gross Margin*** | | | **$7,400 million** | | |

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



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# Additional ExGen Modeling Data

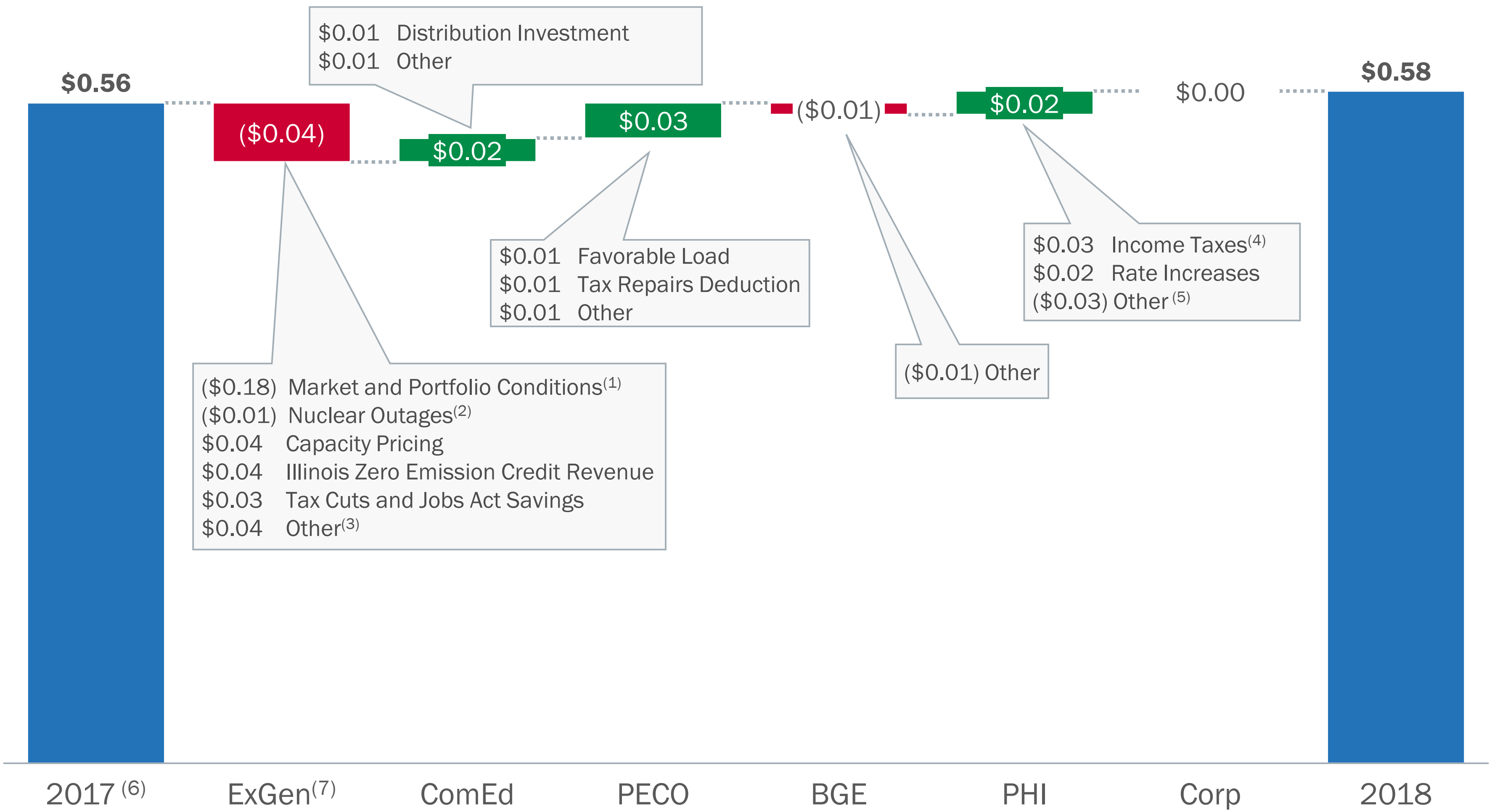
| Total Gross Margin Reconciliation (in $M)[1] | 2019 | 2020 | 2021 |
|---|---|---|---|
| **Revenue Net of Purchased Power and Fuel Expense*[2,3]** | **$8,075** | **$7,825** | **$7,550** |
| Other Revenues[4] | $(175) | $(175) | $(150) |
| Direct cost of sales incurred to generate revenues for certain Constellation and Power businesses | $(250) | $(250) | $(250) |
| **Total Gross Margin* (Non-GAAP)** | **$7,650** | **$7,400** | **$7,150** |

| Key ExGen Modeling Inputs (in $M)[1,5] | 2019 |
|---|---|
| Other[6] | $125 |
| Adjusted O&M*[7] | $(4,325) |
| Taxes Other Than Income (TOTI)[8] | $(400) |
| Depreciation & Amortization*[9] | $(1,125) |
| Interest Expense | $(400) |
| **Effective Tax Rate** | 21.0% |

(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 primarily reflects revenues from variable interest entities, funds collected through revenues for decommissioning the former PECO nuclear plants through regulated rates, gross receipts tax revenues and JExel Nuclear JV
(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, includes nuclear decommissioning trust fund earnings from unregulated sites, and includes the minority interest in ExGen Renewables JV and Bloom
(7) Adjusted O&M* includes $200M of non-cash expense related to the increase in the ARO liability due to the passage of time
(8) TOTI excludes gross receipts tax of $150M
(9) 2020 Depreciation & Amortization is favorable to 2019 by $50M, while 2021 Depreciation & Amortization is favorable to 2019 by $25M

# 2018A Earnings Waterfalls

# QTD Adjusted Operating Earnings* Waterfall




Note: Amounts may not sum due to rounding

(1) Primarily lower realized energy prices

(2) Decrease in volume due to an increase in outage days in 2018; additionally, operating and maintenance expense increased due to an increase in outage days in 2018, excluding Salem

(3) Reflects lower operating and maintenance expense primarily due to lower labor, contracting and materials expense and the absence of EGTP costs resulting from its deconsolidation in the fourth quarter of 2017

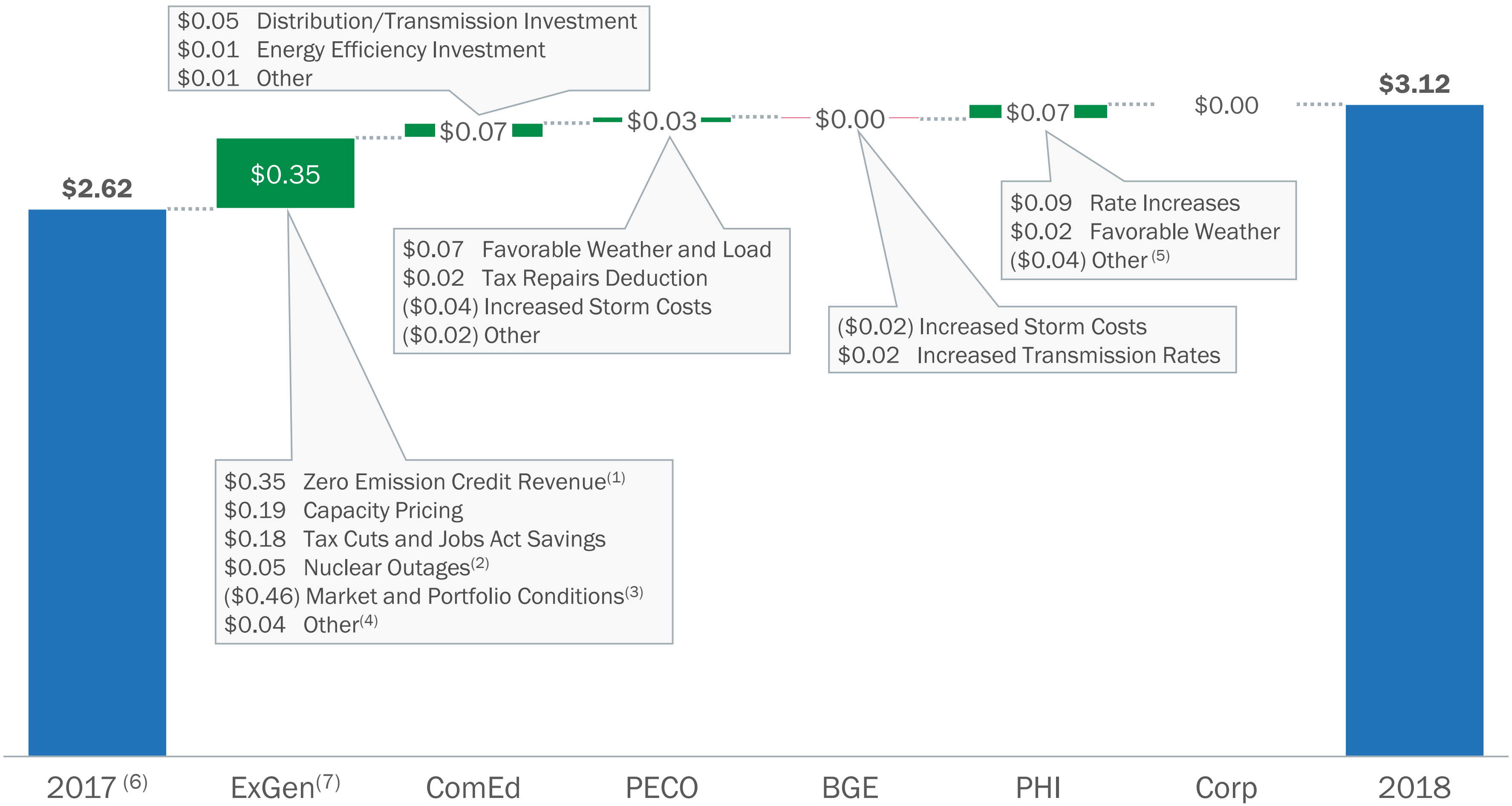
(4) Reflects the absence of the 2017 impairment of certain transmission-related income tax regulatory assets

(5) Reflects increased depreciation and amortization, uncollectible accounts expense and interest expense

(6) Certain immaterial prior year amounts in the Registrants' Consolidated Statements of Operations and Comprehensive Income have been recast to reflect new accounting standards issued by the FASB and adopted as of January 1, 2018

(7) Drivers reflect CENG ownership at 100%

# YTD Adjusted Operating Earnings* Waterfall




Note: Amounts may not sum due to rounding

(1) Reflects the impacts of the New York Clean Energy and Illinois Zero Emission Standards, including the impact of zero emission credits generated in Illinois from June 1, 2017 through December 31, 2017

(2) Increase in volume due to a decrease in outage days in 2018; additionally operating and maintenance expense decreased due to a decrease in outage days in 2018, excluding Salem

(3) Primarily lower realized energy prices and the absence of EGTP revenues net of purchased power and fuel expense resulting from its deconsolidation in the fourth quarter of 2017

(4) Reflects lower operating and maintenance expense primarily due to the absence of EGTP costs resulting from its deconsolidation in the fourth quarter of 2017

(5) Reflects increased depreciation and amortization, uncollectible accounts expense and interest expense, partially offset by the absence of the 2017 impairment of certain transmission-related income tax regulatory assets

(6) Certain immaterial prior year amounts in the Registrants' Consolidated Statements of Operations and Comprehensive Income have been recast to reflect new accounting standards issued by the FASB and adopted as of January 1, 2018

(7) Drivers reflect CENG ownership at 100%



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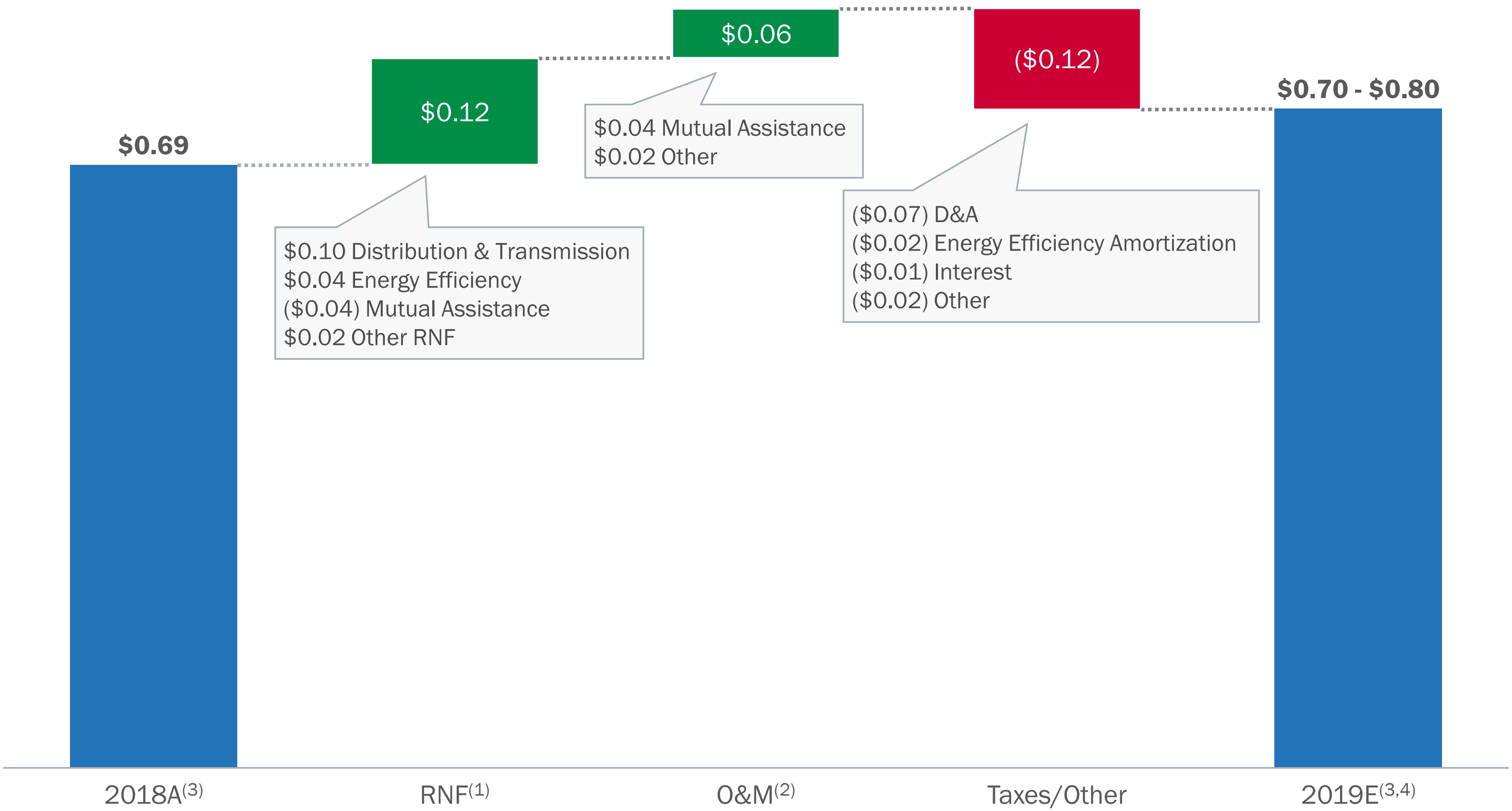
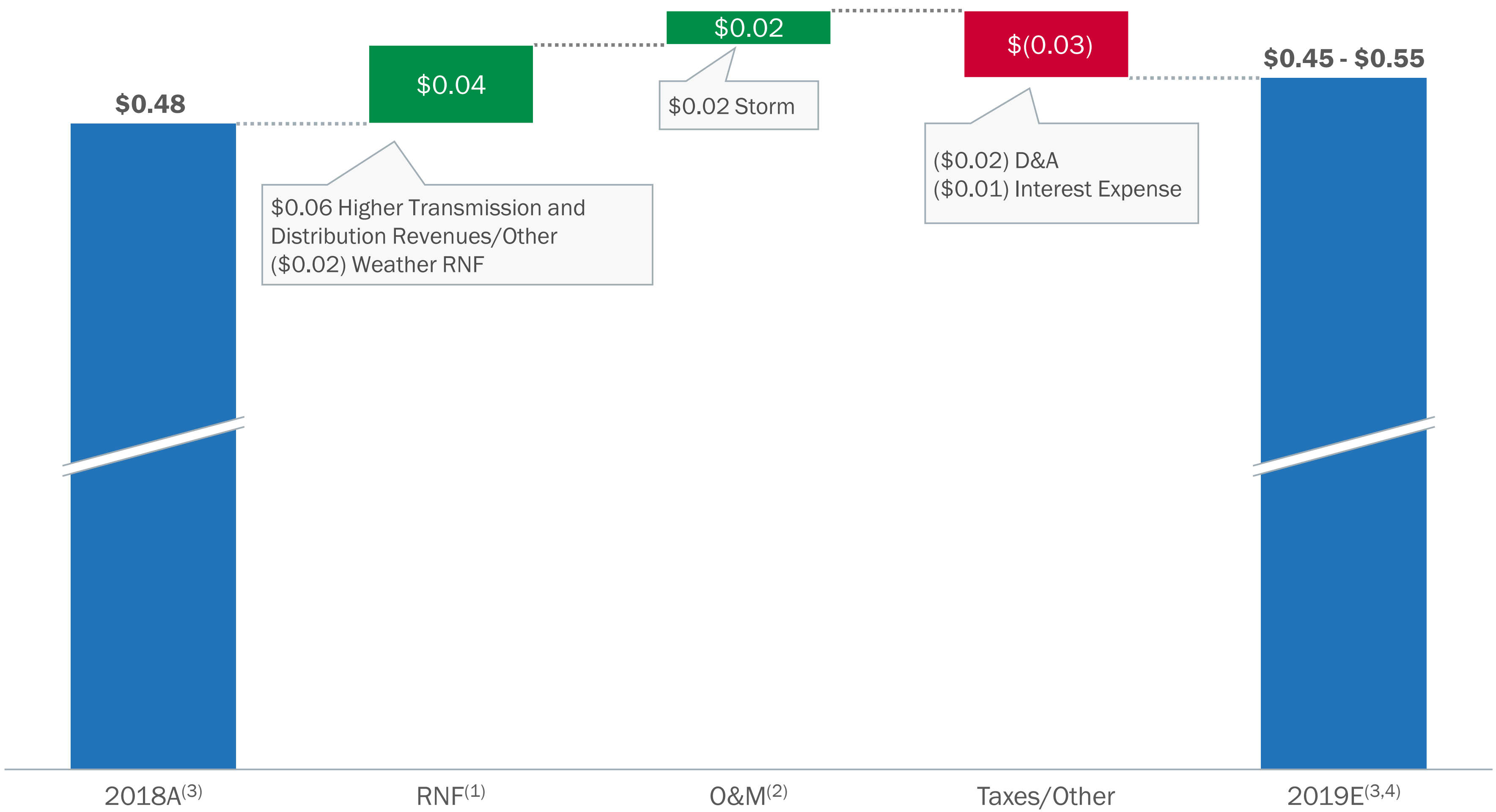
# 2019E Earnings Waterfalls

# ComEd Adjusted Operating EPS* Bridge 2018 to 2019



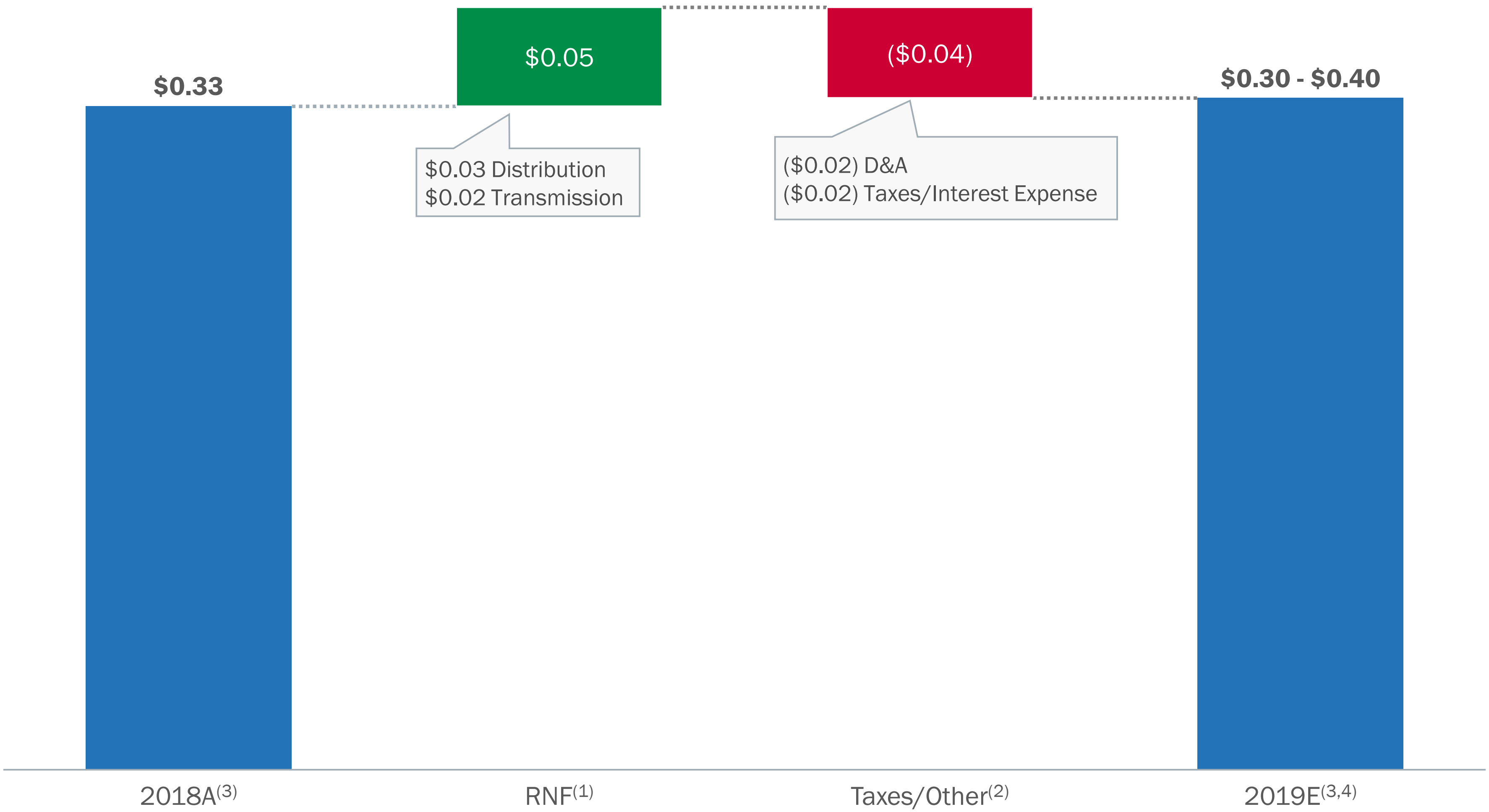

Note: Drivers add up to mid-point of 2019 adjusted operating EPS range
(1) Revenue net fuel (RNF) is defined as operating revenues less purchased power and fuel expense
(2) O&M excludes regulatory items that are P&L neutral
(3) Shares Outstanding (diluted) are 969M in 2018 and 973M in 2019
(4) Guidance assumes an effective tax rate for 2019 of 20.2%

# PECO Adjusted Operating EPS* Bridge 2018 to 2019



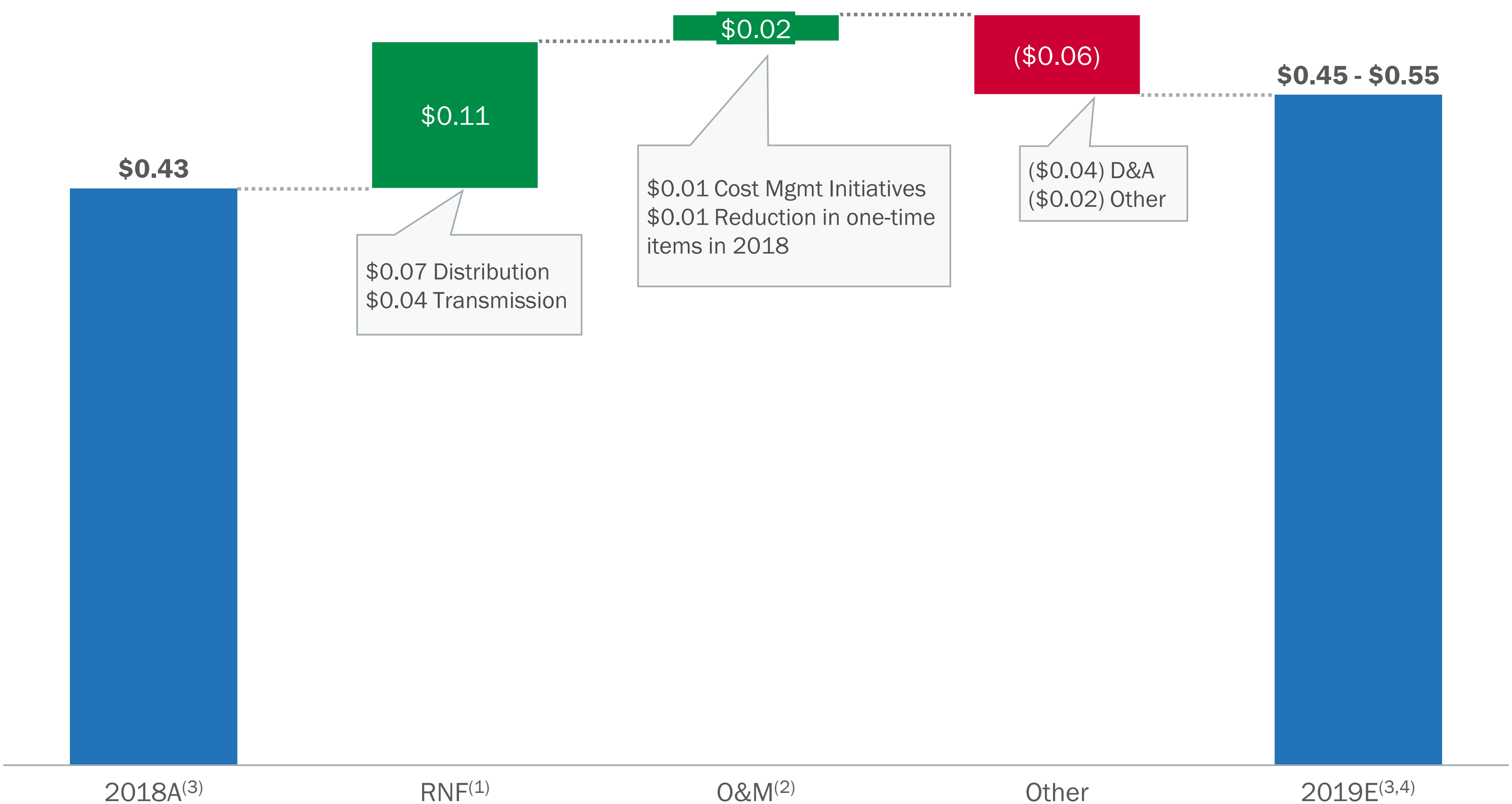

Note: Drivers add up to mid-point of 2019 adjusted operating EPS range
(1) Revenue net fuel (RNF) is defined as operating revenues less purchased power and fuel expense
(2) O&M excludes regulatory items that are P&L neutral
(3) Shares Outstanding (diluted) are 969M in 2018 and 973M in 2019
(4) Guidance assumes an effective tax rate for 2019 of 13.2%

# BGE Adjusted Operating EPS* Bridge 2018 to 2019



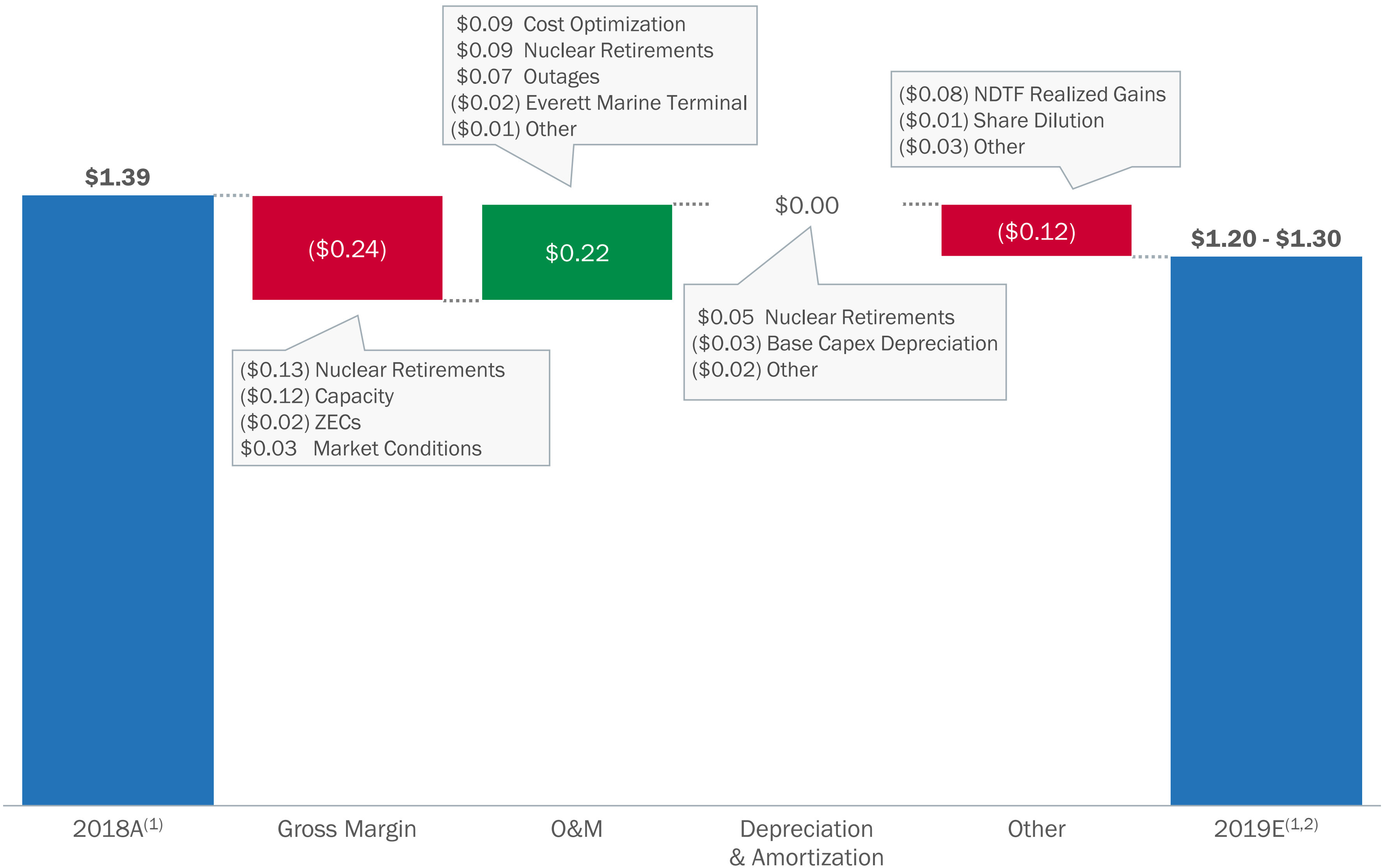

Note: Drivers add up to mid-point of 2019 adjusted operating EPS range
(1) Revenue net fuel (RNF) is defined as operating revenues less purchased power and fuel expense
(2) O&M excludes regulatory items that are P&L neutral
(3) Shares Outstanding (diluted) are 969M in 2018 and 973M in 2019
(4) Guidance assumes an effective tax rate for 2019 of 19.4%

# PHI Adjusted Operating EPS* Bridge 2018 to 2019




Note: Drivers add up to mid-point of 2019 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 969M in 2018 and 973M in 2019
(4) Guidance assumes an effective tax rate for 2019 of 4.9%

# ExGen Adjusted Operating EPS* Bridge 2018 to 2019




Note: Drivers add up to mid-point of 2019 adjusted operating EPS range
(1) Shares Outstanding (diluted) are 969M in 2018 and 973M in 2019
(2) Guidance assumes a marginal tax rate of 25.5% for 2019



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# Appendix

# Reconciliation of Non-GAAP Measures

# Q4 QTD GAAP EPS Reconciliation

| Three Months Ended December 31, 2018 | ExGen | ComEd | PECO | BGE | PHI | Other | Exelon |
|---|---|---|---|---|---|---|---|
| **2018 GAAP Earnings (Loss) Per Share** | **($0.18)** | **$0.15** | **$0.13** | **$0.07** | **$0.06** | **($0.07)** | **$0.16** |
| Mark-to-market impact of economic hedging activities | 0.18 | - | - | - | - | - | 0.19 |
| Unrealized losses related to NDT funds | 0.25 | - | - | - | - | - | 0.25 |
| Plant retirements and divestitures | 0.10 | - | - | - | - | - | 0.10 |
| Cost management program | 0.01 | - | - | - | - | - | 0.02 |
| Gain on contract settlement | (0.06) | - | - | - | - | - | (0.06) |
| Noncontrolling interests | (0.08) | - | - | - | - | - | (0.08) |
| **2018 Adjusted (non-GAAP) Operating Earnings (Loss) Per Share** | **$0.23** | **$0.15** | **$0.13** | **$0.07** | **$0.07** | **($0.07)** | **$0.58** |

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 Earnings (Loss) Per Share(1)** | **$2.30** | **$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 funds | (0.11) | - | - | - | - | - | (0.11) |
| Amortization of commodity contract intangibles | 0.01 | - | - | - | - | - | 0.01 |
| 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 |
| Vacation policy change | (0.03) | - | - | - | (0.01) | - | (0.03) |
| Change in environmental liabilities | 0.03 | - | - | - | - | - | 0.03 |
| Gain on deconsolidation of businesses | (0.14) | - | - | - | - | - | (0.14) |
| Reassessment of deferred income taxes | (1.94) | - | (0.01) | 0.01 | 0.03 | 0.61 | (1.30) |
| Noncontrolling interests | 0.04 | - | - | - | - | - | 0.04 |
| **2017 Adjusted (non-GAAP) Operating Earnings (Loss) Per Share** | **$0.27** | **$0.13** | **$0.10** | **$0.08** | **$0.05** | **($0.07)** | **$0.56** |

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

(1) Certain immaterial prior year amounts in the Registrants' Consolidated Statements of Operations and Comprehensive Income have been recast to reflect new accounting standards issued by the FASB and adopted as of January 1, 2018



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# Q4 YTD GAAP EPS Reconciliation

| Twelve Months Ended December 31, 2018 | ExGen | ComEd | PECO | BGE | PHI | Other | Exelon |
|---|---|---|---|---|---|---|---|
| **2018 GAAP Earnings (Loss) Per Share** | **$0.38** | **$0.69** | **$0.47** | **$0.32** | **$0.41** | **($0.20)** | **$2.07** |
| Mark-to-market impact of economic hedging activities | 0.25 | - | - | - | - | 0.01 | 0.26 |
| Unrealized losses related to NDT funds | 0.35 | - | - | - | - | - | 0.35 |
| Long-lived asset impairments | 0.04 | - | - | - | - | - | 0.04 |
| Plant retirements and divestitures | 0.53 | - | - | - | - | - | 0.53 |
| Cost management program | 0.04 | - | - | - | - | - | 0.05 |
| Asset retirement obligation | - | - | - | - | 0.02 | - | 0.02 |
| Gain on contract settlement | (0.06) | - | - | - | - | - | (0.06) |
| Reassessment of deferred income taxes | (0.03) | - | - | - | (0.01) | 0.01 | (0.02) |
| Noncontrolling interests | (0.12) | - | - | - | - | - | (0.12) |
| **2018 Adjusted (non-GAAP) Operating Earnings (Loss) Per Share** | **$1.39** | **$0.69** | **$0.48** | **$0.33** | **$0.43** | **($0.18)** | **$3.12** |

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



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# 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(1)** | **$2.86** | **$0.60** | **$0.46** | **$0.32** | **$0.38** | **($0.63)** | **$3.99** |
| Mark-to-market impact of economic hedging activities | 0.11 | - | - | - | - | - | 0.11 |
| Unrealized gains related to NDT funds | (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 |
| Cost management program | 0.03 | - | - | 0.01 | - | - | 0.04 |
| Vacation policy change | (0.03) | - | - | - | (0.01) | - | (0.03) |
| Change in environmental liabilities | 0.03 | - | - | - | - | - | 0.03 |
| Bargain purchase gain | (0.25) | - | - | - | - | - | (0.25) |
| Gain on deconsolidation of businesses | (0.14) | - | - | - | - | - | (0.14) |
| Like-kind exchange tax position | - | 0.02 | - | - | - | (0.05) | (0.03) |
| Reassessment of deferred income taxes | (1.96) | - | (0.01) | 0.01 | 0.04 | 0.56 | (1.37) |
| Tax settlements | (0.01) | - | - | - | - | - | (0.01) |
| Noncontrolling interests | 0.12 | - | - | - | - | - | 0.12 |
| **2017 Adjusted (non-GAAP) Operating Earnings (Loss) Per Share** | **$1.04** | **$0.62** | **$0.45** | **$0.33** | **$0.36** | **($0.19)** | **$2.62** |

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

(1) Certain immaterial prior year amounts in the Registrants' Consolidated Statements of Operations and Comprehensive Income have been recast to reflect new accounting standards issued by the FASB and adopted as of January 1, 2018



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# Projected GAAP to Operating Adjustments

- **Exelon's projected 2019 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 funds to the extent not offset by contractual accounting as described in the notes to the consolidated financial statements;
  - Certain costs incurred related to plant retirements;
  - Certain costs incurred to achieve cost management program savings;
  - Other unusual items; and
  - Generation's noncontrolling interest related to CENG exclusion items.

# GAAP to Non-GAAP Reconciliations[1]

**Exelon FFO/Debt[2]** = $\frac{\textbf{FFO (a)}}{\textbf{Adjusted Debt (b)}}$

## Exelon FFO Calculation[2]

GAAP Operating Income
+ Depreciation & Amortization
= EBITDA
- GAAP Interest Expense
+/- GAAP Current Income Tax (Expense)/Benefit
+ Nuclear Fuel Amortization
+/- GAAP to Operating Adjustments
+/- Other S&P Adjustments
**= FFO (a)**

## Exelon Adjusted Debt Calculation[1]

Long-Term Debt (including current maturities)
+ Short-Term Debt
+ Purchase Power Agreement and Operating Lease Imputed Debt
+ Pension/OPEB Imputed Debt (after-tax)
- Off-Credit Treatment of Non-Recourse Debt
- Cash on Balance Sheet * 75%
+/- Other S&P Adjustments
**= Adjusted Debt (b)**

(1) 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; therefore, management is unable to reconcile these measures
(2) Calculated using S&P Methodology. Due to ring-fencing, S&P deconsolidates BGE from Exelon and analyzes solely as an equity investment

# GAAP to Non-GAAP Reconciliations[1]

**ExGen Debt/EBITDA** = $\frac{\textbf{Net Debt (a)}}{\textbf{Operating EBITDA (b)}}$

**ExGen Debt/EBITDA Excluding Non-Recourse** = $\frac{\textbf{Net Debt (c)}}{\textbf{Operating EBITDA (d)}}$

## ExGen Net Debt Calculation

Long-Term Debt (including current maturities)
+ Short-Term Debt
- Cash on Balance Sheet

**= Net Debt (a)**

## ExGen Net Debt Calculation Excluding Non-Recourse

Long-Term Debt (including current maturities)
+ Short-Term Debt
- Cash on Balance Sheet
- Non-Recourse Debt

**= Net Debt Excluding Non-Recourse (c)**

## ExGen Operating EBITDA Calculation

GAAP Operating Income
+ Depreciation & Amortization
= EBITDA
+/- GAAP to Operating Adjustments

**= Operating EBITDA (b)**

## ExGen Operating EBITDA Calculation Excluding Non-Recourse

GAAP Operating Income
+ Depreciation & Amortization
= EBITDA
+/- GAAP to Operating Adjustments
- EBITDA from Projects Financed by Non-Recourse Debt

**= Operating EBITDA Excluding Non-Recourse (d)**

(1) 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; therefore, management is unable to reconcile these measures

# GAAP to Non-GAAP Reconciliations

| Q4 2018 Operating ROE Reconciliation ($M) | ACE | Delmarva | Pepco | Legacy EXC | Consolidated EU |
|---|---|---|---|---|---|
| Net Income (GAAP) | $75 | $120 | $210 | $1,437 | $1,842 |
| Operating Exclusions | $1 | $5 | $19 | $7 | $32 |
| Adjusted Operating Earnings | $76 | $125 | $229 | $1,444 | $1,874 |
| Average Equity | $1,084 | $1,422 | $2,636 | $14,245 | $19,387 |
| **Operating ROE (Adjusted Operating Earnings/Average Equity)** | **7.0%** | **8.8%** | **8.7%** | **10.1%** | **9.7%** |

| Q4 2017 Operating ROE Reconciliation ($M) | ACE | Delmarva | Pepco | Legacy EXC | Consolidated EU |
|---|---|---|---|---|---|
| Net Income (GAAP) | $77 | $121 | $205 | $1,308 | $1,711 |
| Operating Exclusions | ($20) | ($13) | ($20) | $28 | ($24) |
| Adjusted Operating Earnings | $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%** |

Note: Items may not sum due to rounding



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# GAAP to Non-GAAP Reconciliations

| 2019 Adjusted Cash from Ops Calculation ($M)[1] | BGE | ComEd | PECO | PHI | ExGen | Other | Exelon |
|---|---|---|---|---|---|---|---|
| Net cash flows provided by operating activities (GAAP) | $700 | $1,425 | $850 | $1,125 | $4,200 | ($225) | $8,050 |
| Other cash from investing activities | - | - | - | - | ($275) | - | ($275) |
| Counterparty collateral activity | - | - | - | - | $100 | - | $100 |
| **Adjusted Cash Flow from Operations** | **$700** | **$1,425** | **$850** | **$1,125** | **$4,025** | **($225)** | **$7,875** |

| 2019 Cash From Financing Calculation ($M)[1] | BGE | ComEd | PECO | PHI | ExGen | Other | Exelon |
|---|---|---|---|---|---|---|---|
| Net cash flow provided by financing activities (GAAP) | $450 | $350 | $125 | $125 | ($1,775) | $150 | ($575) |
| Dividends paid on common stock | $225 | $500 | $350 | $350 | $900 | ($925) | $1,400 |
| **Financing Cash Flow** | **$675** | **$850** | **$475** | **$475** | **($875)** | **($775)** | **$825** |

| Exelon Total Cash Flow Reconciliation[1] | 2019 |
|---|---|
| **GAAP Beginning Cash Balance** | **$1,250** |
| Adjustment for Cash Collateral Posted | $575 |
| Adjusted Beginning Cash Balance[3] | $1,825 |
| Net Change in Cash (GAAP)[2] | ($50) |
| Adjusted Ending Cash Balance[3] | $1,775 |
| Adjustment for Cash Collateral Posted | ($550) |
| **GAAP Ending Cash Balance** | **$1,225** |

(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

# GAAP to Non-GAAP Reconciliations

| ExGen Adjusted O&M Reconciliation ($M)[1] | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| **GAAP O&M** | **$5,475** | **$5,025** | **$4,925** | **$4,825** | **$4,850** |
| Decommissioning[2] | 50 | 50 | 50 | 50 | 50 |
| Oyster Creek Retirement[4] | (100) | - | - | - | - |
| Direct cost of sales incurred to generate revenues for certain Constellation and Power businesses[3] | (250) | (250) | (250) | (250) | (275) |
| O&M for managed plants that are partially owned | (400) | (400) | (425) | (425) | (425) |
| Other | (175) | (100) | (50) | - | - |
| **Adjusted O&M (Non-GAAP)** | **$4,600** | **$4,325** | **$4,250** | **$4,200** | **$4,200** |

| 2019-2022 ExGen Available Cash Flow* and Uses of Cash Calculation ($M)[1] | |
|---|---|
| Cash from Operations (GAAP) | $15,425 |
| Other Cash from Investing and Financing Activities | ($1,550) |
| Baseline Capital Expenditures[5] | ($3,350) |
| Nuclear Fuel Capital Expenditures | ($3,175) |
| Change in Cash | $400 |
| **Free Cash Flow before Growth CapEx and Dividend** | **$7,750** |

(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) Oyster Creek includes $75M of decommissioning asset retirement obligations for retirement acceleration
(5) Baseline capital expenditures refer to maintenance and required capital expenditures necessary for day-to-day plant operations and includes merger commitments