UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2022
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number	Name of Registrant; State or Other Jurisdiction of Incorporation; Address of Principal Executive Offices; and Telephone Number	IRS Employer Identification Number
001-16169	EXELON CORPORATION (a Pennsylvania corporation) 10 South Dearborn Street P.O. Box 805379 Chicago, Illinois 60680-5379 (800) 483-3220	23-2990190
001-01839	COMMONWEALTH EDISON COMPANY (an Illinois corporation) 10 South Dearborn Street Chicago, Illinois 60603-2300 (312) 394-4321	36-0938600
000-16844	PECO ENERGY COMPANY (a Pennsylvania corporation) P.O. Box 8699 2301 Market Street Philadelphia, Pennsylvania 19101-8699 (215) 841-4000	23-0970240
001-01910	BALTIMORE GAS AND ELECTRIC COMPANY (a Maryland corporation) 2 Center Plaza 110 West Fayette Street Baltimore, Maryland 21201-3708 (410) 234-5000	52-0280210
001-31403	PEPCO HOLDINGS LLC (a Delaware limited liability company) 701 Ninth Street, N.W. Washington, District of Columbia 20068-0001 (202) 872-2000	52-2297449
001-01072	POTOMAC ELECTRIC POWER COMPANY (a District of Columbia and Virginia corporation) 701 Ninth Street, N.W. Washington, District of Columbia 20068-001 (202) 872-2000	53-0127880
001-01405	DELMARVA POWER & LIGHT COMPANY (a Delaware and Virginia corporation) 500 North Wakefield Drive Newark, Delaware 19702-5440 (202) 872-2000	51-0084283
001-03559	ATLANTIC CITY ELECTRIC COMPANY (a New Jersey corporation) 500 North Wakefield Drive Newark, Delaware 19702-5440 (202) 872-2000	21-0398280

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
EXELON CORPORATION:		
Common stock, without par value	EXC	The Nasdaq Stock Market LLC
PECO ENERGY COMPANY:		
Trust Receipts of PECO Energy Capital Trust III, each representing a 7.38% Cumulative Preferred Security, Series D, $25 stated value, issued by PECO Energy Capital, L.P. and unconditionally guaranteed by PECO Energy Company	EXC/28	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Exelon Corporation	Large Accelerated Filer x	Accelerated Filer ☐	Non-accelerated Filer ☐	Smaller Reporting Company ☐	Emerging Growth Company ☐
Commonwealth Edison Company	Large Accelerated Filer ☐	Accelerated Filer ☐	Non-accelerated Filer x	Smaller Reporting Company ☐	Emerging Growth Company ☐
PECO Energy Company	Large Accelerated Filer ☐	Accelerated Filer ☐	Non-accelerated Filer x	Smaller Reporting Company ☐	Emerging Growth Company ☐
Baltimore Gas and Electric Company	Large Accelerated Filer ☐	Accelerated Filer ☐	Non-accelerated Filer x	Smaller Reporting Company ☐	Emerging Growth Company ☐
Pepco Holdings LLC	Large Accelerated Filer ☐	Accelerated Filer ☐	Non-accelerated Filer x	Smaller Reporting Company ☐	Emerging Growth Company ☐
Potomac Electric Power Company	Large Accelerated Filer ☐	Accelerated Filer ☐	Non-accelerated Filer x	Smaller Reporting Company ☐	Emerging Growth Company ☐
Delmarva Power & Light Company	Large Accelerated Filer ☐	Accelerated Filer ☐	Non-accelerated Filer x	Smaller Reporting Company ☐	Emerging Growth Company ☐
Atlantic City Electric Company	Large Accelerated Filer ☐	Accelerated Filer ☐	Non-accelerated Filer x	Smaller Reporting Company ☐	Emerging Growth Company ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No x

The number of shares outstanding of each registrant’s common stock as of June 30, 2022 was:

Exelon Corporation Common Stock, without par value	980,472,436
Commonwealth Edison Company Common Stock, $12.50 par value	127,021,391
PECO Energy Company Common Stock, without par value	170,478,507
Baltimore Gas and Electric Company Common Stock, without par value	1,000
Pepco Holdings LLC	not applicable
Potomac Electric Power Company Common Stock, $0.01 par value	100
Delmarva Power & Light Company Common Stock, $2.25 par value	1,000
Atlantic City Electric Company Common Stock, $3.00 par value	8,546,017

TABLE OF CONTENTS

GLOSSARY OF TERMS AND ABBREVIATIONS

Exelon Corporation and Related Entities	
Exelon	Exelon Corporation
ComEd	Commonwealth Edison Company
PECO	PECO Energy Company
BGE	Baltimore Gas and Electric Company
Pepco Holdings or PHI	Pepco Holdings LLC
Pepco	Potomac Electric Power Company
DPL	Delmarva Power & Light Company
ACE	Atlantic City Electric Company
Registrants	Exelon, ComEd, PECO, BGE, PHI, Pepco, DPL, and ACE, collectively
Utility Registrants	ComEd, PECO, BGE, Pepco, DPL, and ACE, collectively
ACE Funding or ATF	Atlantic City Electric Transition Funding LLC
BSC	Exelon Business Services Company, LLC
Exelon Corporate	Exelon in its corporate capacity as a holding company
PCI	Potomac Capital Investment Corporation and its subsidiaries
PECO Trust III	PECO Energy Capital Trust III
PECO Trust IV	PECO Energy Capital Trust IV
PHI Corporate	PHI in its corporate capacity as a holding company
PHISCO	PHI Service Company
Former Related Entities	
Constellation	Constellation Energy Corporation
Generation	Constellation Energy Generation, LLC (formerly Exelon Generation Company, LLC, a subsidiary of Exelon prior to separation on February 1, 2022)

GLOSSARY OF TERMS AND ABBREVIATIONS

Other Terms and Abbreviations	
2021 Form 10-K	The Registrants' Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on February 25, 2022
2021 Recast Form 10-K	The Registrants' Current Report on Form 8-K filed with the SEC on June 30, 2022 to recast Exelon's consolidated financial statements and certain other financial information originally included in the 2021 Form 10-K
Note - of the 2021 Recast Form 10-K	Reference to specific Combined Note to Consolidated Financial Statements in the 2021 Recast Form 10-K
AEC	Alternative Energy Credit that is issued for each megawatt hour of generation from a qualified alternative energy source
AFUDC	Allowance for Funds Used During Construction
AMI	Advanced Metering Infrastructure
AOCI	Accumulated Other Comprehensive Income (Loss)
ARO	Asset Retirement Obligation
BGS	Basic Generation Service
CEJA (formerly Clean Energy Law in the Exelon 2021 Form 10-K)	Climate and Equitable Jobs Act; Illinois Public Act 102-0662 signed into law on September 15, 2021
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended
CIP	Conservation Incentive Program
CMC	Carbon Mitigation Credit
CODM	Chief Operating Decision Maker(s)
DC PLUG	District of Columbia Power Line Undergrounding Initiative
DCPSC	Public Service Commission of the District of Columbia
DEPSC	Delaware Public Service Commission
DOEE	District of Columbia Department of Energy & Environment
DPP	Deferred Purchase Price
EIMA	Energy Infrastructure Modernization Act (Illinois Senate Bill 1652 and Illinois House Bill 3036)
EPA	United States Environmental Protection Agency
ERCOT	Electric Reliability Council of Texas
ERISA	Employee Retirement Income Security Act of 1974, as amended
ETAC	Energy Transition Assistance Charge
FEJA	Illinois Public Act 99-0906 or Future Energy Jobs Act
FERC	Federal Energy Regulatory Commission
GAAP	Generally Accepted Accounting Principles in the United States
GCR	Gas Cost Rate
GSA	Generation Supply Adjustment
GWh	Gigawatt hour
ICC	Illinois Commerce Commission
Illinois Settlement Legislation	Legislation enacted in 2007 affecting electric utilities in Illinois
IPA	Illinois Power Agency
IRC	Internal Revenue Code
IRS	Internal Revenue Service
LIBOR	London Interbank Offered Rate
MDPSC	Maryland Public Service Commission
MGP	Manufactured Gas Plant
mmcf	Million Cubic Feet

GLOSSARY OF TERMS AND ABBREVIATIONS

Other Terms and Abbreviations	
MW	Megawatt
MWh	Megawatt hour
N/A	Not applicable
NDT	Nuclear Decommissioning Trust
NJBPU	New Jersey Board of Public Utilities
NPNS	Normal Purchase Normal Sale scope exception
NPS	National Park Service
OCI	Other Comprehensive Income
OPEB	Other Postretirement Employee Benefits
PAPUC	Pennsylvania Public Utility Commission
PGC	Purchased Gas Cost Clause
PJM	PJM Interconnection, LLC
POLR	Provider of Last Resort
PPA	Power Purchase Agreement
PP&E	Property, plant, and equipment
PRP	Potentially Responsible Parties
REC	Renewable Energy Credit which is issued for each megawatt hour of generation from a qualified renewable energy source
Regulatory Agreement Units	Nuclear generating units or portions thereof whose decommissioning-related activities are subject to contractual elimination under regulatory accounting
RFP	Request for Proposal
Rider	Reconcilable Surcharge Recovery Mechanism
ROE	Return on equity
ROU	Right-of-use
RPS	Renewable Energy Portfolio Standards
RTO	Regional Transmission Organization
SEC	United States Securities and Exchange Commission
SOFR	Secured Overnight Financing Rate
SOS	Standard Offer Service
STRIDE	Maryland Strategic Infrastructure Development and Enhancement Program
TCJA	Tax Cuts and Jobs Act
Transition Bonds	Transition Bonds issued by ACE Funding
ZEC	Zero Emission Credit or Zero Emission Certificate

FILING FORMAT

This combined Form 10-Q is being filed separately by Exelon Corporation, 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). Information contained herein relating to any individual Registrant is filed by such Registrant on its own behalf. No Registrant makes any representation as to information relating to any other Registrant.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This Report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. Words such as “could,” “may,” “expects,” “anticipates,” “will,” “targets,” “goals,” “projects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “predicts,” and variations on such words, and similar expressions that reflect our current views with respect to future events and operational, economic, and financial performance, are intended to identify such forward-looking statements.

The factors that could cause actual results to differ materially from the forward-looking statements made by the Registrants include those factors discussed herein, as well as the items discussed in (1) the 2021 Form 10-K in Part I, ITEM 1A. Risk Factors; (2) the 2021 Recast Form 10-K in (a) Part II, ITEM 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations and (b) Part II, ITEM 8. Financial Statements and Supplementary Data: Note 17, Commitments and Contingencies; (3) this Quarterly Report on Form 10-Q in (a) Part II, ITEM 1A. Risk Factors, (b) Part I, ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations, and (c) Part I, ITEM 1. Financial Statements: Note 12, Commitments and Contingencies; and (4) other factors discussed in filings with the SEC by the Registrants.

Investors are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Report. None of the Registrants undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this Report.

WHERE TO FIND MORE INFORMATION

The SEC maintains an Internet site at www.sec.gov that contains reports, proxy and information statements, and other information that the Registrants file electronically with the SEC. These documents are also available to the public from commercial document retrieval services and the Registrants' website at www.exeloncorp.com. Information contained on the Registrants' website shall not be deemed incorporated into, or to be a part of, this Report.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

EXELON CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

(In millions, except per share data)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Operating revenues				
Electric operating revenues	$ 3,934	$ 3,739	$ 8,415	$ 7,609
Natural gas operating revenues	307	234	1,124	867
Revenues from alternative revenue programs	(2)	47	27	176
Total operating revenues	4,239	4,020	9,566	8,652
Operating expenses				
Purchased power	1,167	1,006	2,748	2,146
Purchased fuel	107	58	445	276
Purchased power and fuel from affiliates	—	257	159	550
Operating and maintenance	1,109	1,073	2,288	2,155
Depreciation and amortization	830	736	1,647	1,494
Taxes other than income taxes	330	314	684	631
Total operating expenses	3,543	3,444	7,971	7,252
(Loss) gain on sales of assets and businesses	(2)	4	(2)	4
Operating income	694	580	1,593	1,404
Other income and (deductions)				
Interest expense, net	(352)	(318)	(684)	(630)
Interest expense to affiliates	(6)	(6)	(13)	(13)
Other, net	175	73	313	131
Total other income and (deductions)	(183)	(251)	(384)	(512)
Income from continuing operations before income taxes	511	329	1,209	892
Income taxes	46	3	263	42
Equity in earnings of unconsolidated affiliates	—	—	—	1
Net income from continuing operations after income taxes	465	326	946	851
Net income (loss) from discontinued operations after income taxes (Note 2)	—	150	117	(640)
Net income	465	476	1,063	211
Net income attributable to noncontrolling interests	—	75	1	99
Net income attributable to common shareholders	$ 465	$ 401	$ 1,062	$ 112
Amounts attributable to common shareholders:				
Net income from continuing operations	465	326	946	851
Net income (loss) from discontinued operations	—	75	116	(739)
Net income attributable to common shareholders	$ 465	$ 401	$ 1,062	$ 112
Comprehensive income, net of income taxes				
Net income	$ 465	$ 476	$ 1,063	$ 211
Other comprehensive income (loss), net of income taxes				
Pension and non-pension postretirement benefit plans:				
Prior service benefit reclassified to periodic benefit cost	2	(1)	2	(2)
Actuarial loss reclassified to periodic benefit cost	10	56	24	112
Pension and non-pension postretirement benefit plan valuation adjustment	—	—	—	(2)
Unrealized gain on foreign currency translation	—	2	—	3
Other comprehensive income	12	57	26	111
Comprehensive income	477	533	1,089	322
Comprehensive income attributable to noncontrolling interests	—	75	1	99
Comprehensive income attributable to common shareholders	$ 477	$ 458	$ 1,088	$ 223
Average shares of common stock outstanding:				
Basic	981	978	981	978
Assumed exercise and/or distributions of stock-based awards	1	1	1	1
Diluted[(a)]	982	979	982	979
Earnings per average common share from continuing operations				
Basic	$ 0.47	$ 0.33	$ 0.96	$ 0.87
Diluted	$ 0.47	$ 0.33	$ 0.96	$ 0.87
Earnings (losses) per average common share from discontinued operations				
Basic	$ —	$ 0.08	$ 0.12	$ (0.76)
Diluted	$ —	$ 0.08	$ 0.12	$ (0.76)

(a) The number of stock options not included in the calculation of diluted common shares outstanding due to their antidilutive effect were none for the three and six months ended June 30, 2022 and 2021, respectively.

See the Combined Notes to Consolidated Financial Statements

EXELON CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Cash flows from operating activities		
Net income	$ 1,063	$ 211
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation, amortization, and accretion, including nuclear fuel and energy contract amortization	1,854	4,180
Asset impairments	—	500
Gain on sales of assets and businesses	(8)	(83)
Deferred income taxes and amortization of investment tax credits	143	(163)
Net fair value changes related to derivatives	(59)	(490)
Net realized and unrealized losses (gains) on NDT funds	205	(376)
Net unrealized losses (gains) on equity investments	16	(96)
Other non-cash operating activities	276	(331)
Changes in assets and liabilities:		
Accounts receivable	(795)	(16)
Inventories	12	1
Accounts payable and accrued expenses	544	(87)
Option premiums (paid) received, net	(39)	2
Collateral received, net	1,689	957
Income taxes	23	190
Regulatory assets and liabilities, net	(376)	(276)
Pension and non-pension postretirement benefit contributions	(585)	(559)
Other assets and liabilities	(723)	(2,426)
Net cash flows provided by operating activities	3,240	1,138
Cash flows from investing activities		
Capital expenditures	(3,507)	(4,040)
Proceeds from NDT fund sales	488	4,438
Investment in NDT funds	(516)	(4,538)
Collection of DPP	169	2,209
Proceeds from sales of assets and businesses	16	724
Other investing activities	4	17
Net cash flows used in investing activities	(3,346)	(1,190)
Cash flows from financing activities		
Changes in short-term borrowings	(597)	(666)
Proceeds from short-term borrowings with maturities greater than 90 days	1,150	500
Repayments on short-term borrowings with maturities greater than 90 days	(350)	—
Issuance of long-term debt	5,151	2,455
Retirement of long-term debt	(1,707)	(630)
Dividends paid on common stock	(663)	(747)
Proceeds from employee stock plans	17	47
Transfer of cash, restricted cash, and cash equivalents to Constellation	(2,594)	—
Other financing activities	(84)	(64)
Net cash flows provided by financing activities	323	895
Increase in cash, restricted cash, and cash equivalents	217	843
Cash, restricted cash, and cash equivalents at beginning of period	1,619	1,166
Cash, restricted cash, and cash equivalents at end of period	$ 1,836	$ 2,009
Supplemental cash flow information		
Decrease in capital expenditures not paid	$ (276)	$ (313)
Increase in DPP	348	1,958
(Decrease) increase in PP&E related to ARO update	(335)	2

See the Combined Notes to Consolidated Financial Statements

EXELON CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2022		December 31, 2021	
ASSETS				
Current assets				
Cash and cash equivalents	$	816	$	672
Restricted cash and cash equivalents		961		321
Accounts receivable				
Customer accounts receivable	2,219		2,189	
Customer allowance for credit losses	(354)		(320)	
Customer accounts receivable, net		1,865		1,869
Other accounts receivable	1,403		1,068	
Other allowance for credit losses	(81)		(72)	
Other accounts receivable, net		1,322		996
Inventories, net				
Fossil fuel		133		105
Materials and supplies		491		476
Regulatory assets		1,239		1,296
Other		515		387
Current assets of discontinued operations		—		7,835
Total current assets		7,342		13,957
Property, plant, and equipment (net of accumulated depreciation and amortization of $15,242 and $14,430 as of June 30, 2022 and December 31, 2021, respectively)		66,456		64,558
Deferred debits and other assets				
Regulatory assets		8,350		8,224
Goodwill		6,630		6,630
Receivable related to Regulatory Agreement Units		2,265		—
Investments		235		250
Other		1,017		885
Property, plant, and equipment, deferred debits, and other assets of discontinued operations		—		38,509
Total deferred debits and other assets		18,497		54,498
Total assets	$	92,295	$	133,013

See the Combined Notes to Consolidated Financial Statements

EXELON CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2022	December 31, 2021
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings	$ 2,003	$ 1,248
Long-term debt due within one year	505	2,153
Accounts payable	2,451	2,379
Accrued expenses	1,057	1,137
Payables to affiliates	5	5
Regulatory liabilities	411	376
Mark-to-market derivative liabilities	—	18
Unamortized energy contract liabilities	11	89
Other	1,588	766
Current liabilities of discontinued operations	—	7,940
Total current liabilities	8,031	16,111
Long-term debt	35,789	30,749
Long-term debt to financing trusts	390	390
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	11,240	10,611
Regulatory liabilities	8,513	9,628
Pension obligations	1,406	2,051
Non-pension postretirement benefit obligations	800	811
Asset retirement obligations	275	271
Mark-to-market derivative liabilities	103	201
Unamortized energy contract liabilities	38	146
Other	2,054	1,573
Long-term debt, deferred credits, and other liabilities of discontinued operations	—	25,676
Total deferred credits and other liabilities	24,429	50,968
Total liabilities	68,639	98,218
Commitments and contingencies		
Shareholders' equity		
Common stock (No par value, 2,000 shares authorized, 980 shares and 979 shares outstanding at June 30, 2022 and December 31, 2021, respectively)	20,319	20,324
Treasury stock, at cost (2 shares at June 30, 2022 and December 31, 2021)	(123)	(123)
Retained earnings	4,161	16,942
Accumulated other comprehensive loss, net	(701)	(2,750)
Total shareholders' equity	23,656	34,393
Noncontrolling interests	—	402
Total equity	23,656	34,795
Total liabilities and shareholders' equity	$ 92,295	$ 133,013

See the Combined Notes to Consolidated Financial Statements

EXELON CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

	Six Months Ended June 30, 2022						
(In millions, shares in thousands)	Issued Shares	Common Stock	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss, net	Noncontrolling Interests	Total Shareholders' Equity
Balance, December 31, 2021	981,291	$ 20,324	$ (123)	$ 16,942	$ (2,750)	$ 402	$ 34,795
Net income	—	—	—	597	—	1	598
Long-term incentive plan activity	540	(13)	—	—	—	—	(13)
Employee stock purchase plan issuances	211	9	—	—	—	—	9
Changes in equity of noncontrolling interests	—	—	—	—	—	(7)	(7)
Distribution of Constellation (Note 2)	—	(21)	—	(13,179)	2,023	(396)	(11,573)
Common stock dividends ($0.34/common share)	—	—	—	(332)	—	—	(332)
Other comprehensive income, net of income taxes	—	—	—	—	14	—	14
Balance, March 31, 2022	982,042	$ 20,299	$ (123)	$ 4,028	$ (713)	$ —	$ 23,491
Net income	—	—	—	465	—	—	465
Long-term incentive plan activity	21	10	—	—	—	—	10
Employee stock purchase plan issuances	242	10	—	—	—	—	10
Changes in equity of noncontrolling interests	—	—	—	—	—	—	—
Common stock dividends ($0.34/common share)	—	—	—	(332)	—	—	(332)
Other comprehensive income, net of income taxes	—	—	—	—	12	—	12
Balance, June 30, 2022	982,305	$ 20,319	$ (123)	$ 4,161	$ (701)	$ —	$ 23,656

See the Combined Notes to Consolidated Financial Statements

EXELON CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

	Six Months Ended June 30, 2021						
(In millions, shares in thousands)	Issued Shares	Common Stock	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss, net	Noncontrolling Interests	Total Shareholders' Equity
Balance, December 31, 2020	977,466	$ 19,373	$ (123)	$ 16,735	$ (3,400)	$ 2,283	$ 34,868
Net (loss) income	—	—	—	(289)	—	25	(264)
Long-term incentive plan activity	640	5	—	—	—	—	5
Employee stock purchase plan issuances	902	34	—	—	—	—	34
Changes in equity of noncontrolling interests	—	—	—	—	—	(10)	(10)
Common stock dividends ($0.38/common share)	—	—	—	(374)	—	—	(374)
Other comprehensive income, net of income taxes	—	—	—	—	54	—	54
Balance, March 31, 2021	979,008	$ 19,412	$ (123)	$ 16,072	$ (3,346)	$ 2,298	$ 34,313
Net income	—	—	—	401	—	75	476
Long-term incentive plan activity	237	24	—	—	—	—	24
Employee stock purchase plan issuances	420	18	—	—	—	—	18
Changes in equity of noncontrolling interests	—	—	—	—	—	(13)	(13)
Common stock dividends ($0.38/common share)	—	—	—	(375)	—	—	(375)
Other comprehensive income, net of income taxes	—	—	—	—	57	—	57
Balance, June 30, 2021	979,665	$ 19,454	$ (123)	$ 16,098	$ (3,289)	$ 2,360	$ 34,500

See the Combined Notes to Consolidated Financial Statements

COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	2022	2021	2022	2021
Operating revenues				
Electric operating revenues	$ 1,387	$ 1,503	$ 3,075	$ 2,977
Revenues from alternative revenue programs	35	9	75	64
Operating revenues from affiliates	3	5	8	11
Total operating revenues	1,425	1,517	3,158	3,052
Operating expenses				
Purchased power	283	421	862	862
Purchased power from affiliate	—	79	59	163
Operating and maintenance	258	250	523	495
Operating and maintenance from affiliates	80	73	166	144
Depreciation and amortization	328	296	649	589
Taxes other than income taxes	90	77	185	153
Total operating expenses	1,039	1,196	2,444	2,406
Loss on sales of assets	(2)	—	(2)	—
Operating income	384	321	712	646
Other income and (deductions)				
Interest expense, net	(101)	(95)	(197)	(187)
Interest expense to affiliates	(3)	(3)	(7)	(6)
Other, net	13	15	26	22
Total other income and (deductions)	(91)	(83)	(178)	(171)
Income before income taxes	293	238	534	475
Income taxes	66	46	119	85
Net income	$ 227	$ 192	$ 415	$ 390
Comprehensive income	$ 227	$ 192	$ 415	$ 390

See the Combined Notes to Consolidated Financial Statements

COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Cash flows from operating activities		
Net income	$ 415	$ 390
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	649	589
Deferred income taxes and amortization of investment tax credits	122	143
Other non-cash operating activities	(18)	23
Changes in assets and liabilities:		
Accounts receivable	(163)	(48)
Receivables from and payables to affiliates, net	(43)	5
Inventories	(2)	(2)
Accounts payable and accrued expenses	123	(45)
Collateral received, net	60	2
Income taxes	(19)	(34)
Regulatory assets and liabilities, net	(267)	(181)
Pension and non-pension postretirement benefit contributions	(178)	(173)
Other assets and liabilities	(91)	(111)
Net cash flows provided by operating activities	588	558
Cash flows from investing activities		
Capital expenditures	(1,208)	(1,162)
Other investing activities	15	12
Net cash flows used in investing activities	(1,193)	(1,150)
Cash flows from financing activities		
Changes in short-term borrowings	—	(290)
Issuance of long-term debt	750	700
Dividends paid on common stock	(289)	(253)
Contributions from parent	335	395
Other financing activities	(12)	(11)
Net cash flows provided by financing activities	784	541
Increase (decrease) in cash, restricted cash, and cash equivalents	179	(51)
Cash, restricted cash, and cash equivalents at beginning of period	384	405
Cash, restricted cash, and cash equivalents at end of period	$ 563	$ 354
Supplemental cash flow information		
Decrease in capital expenditures not paid	$ (44)	$ (93)

See the Combined Notes to Consolidated Financial Statements

COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2022		December 31, 2021	
ASSETS				
Current assets				
Cash and cash equivalents	$	120	$	131
Restricted cash and cash equivalents		384		210
Accounts receivable				
Customer accounts receivable	589		647	
Customer allowance for credit losses	(81)		(73)	
Customer accounts receivable, net		508		574
Other accounts receivable	448		227	
Other allowance for credit losses	(18)		(17)	
Other accounts receivable, net		430		210
Receivables from affiliates		3		16
Inventories, net		171		170
Regulatory assets		325		335
Other		143		76
Total current assets		2,084		1,722
Property, plant, and equipment (net of accumulated depreciation and amortization of $6,400 and $6,099 as of June 30, 2022 and December 31, 2021, respectively)		26,673		25,995
Deferred debits and other assets				
Regulatory assets		2,134		1,870
Goodwill		2,625		2,625
Receivables from affiliates		—		2,761
Receivable related to Regulatory Agreement Units		1,973		—
Investments		6		6
Prepaid pension asset		1,232		1,086
Other		467		405
Total deferred debits and other assets		8,437		8,753
Total assets	$	37,194	$	36,470

See the Combined Notes to Consolidated Financial Statements

COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2022	December 31, 2021
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 756	$ 647
Accrued expenses	345	384
Payables to affiliates	65	121
Customer deposits	99	99
Regulatory liabilities	216	185
Mark-to-market derivative liabilities	—	18
Other	253	133
Total current liabilities	1,734	1,587
Long-term debt	10,516	9,773
Long-term debt to financing trust	205	205
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	4,852	4,685
Regulatory liabilities	6,111	6,759
Asset retirement obligations	145	144
Non-pension postretirement benefits obligations	168	169
Mark-to-market derivative liabilities	103	201
Other	544	592
Total deferred credits and other liabilities	11,923	12,550
Total liabilities	24,378	24,115
Commitments and contingencies		
Shareholders' equity		
Common stock	1,588	1,588
Other paid-in capital	9,411	9,076
Retained earnings	1,817	1,691
Total shareholders' equity	12,816	12,355
Total liabilities and shareholders' equity	$ 37,194	$ 36,470

See the Combined Notes to Consolidated Financial Statements

COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

	Six Months Ended June 30, 2022			
(In millions)	Common Stock	Other Paid-In Capital	Retained Earnings	Total Shareholders' Equity
Balance, December 31, 2021	$ 1,588	$ 9,076	$ 1,691	$ 12,355
Net income	—	—	188	188
Common stock dividends	—	—	(144)	(144)
Contributions from parent	—	167	—	167
Balance, March 31, 2022	$ 1,588	$ 9,243	$ 1,735	$ 12,566
Net income	—	—	227	227
Common stock dividends	—	—	(145)	(145)
Contributions from parent	—	168	—	168
Balance, June 30, 2022	$ 1,588	$ 9,411	$ 1,817	$ 12,816

	Six Months Ended June 30, 2021			
(In millions)	Common Stock	Other Paid-In Capital	Retained Earnings	Total Shareholders' Equity
Balance, December 31, 2020	$ 1,588	$ 8,285	$ 1,456	$ 11,329
Net income	—	—	197	197
Common stock dividends	—	—	(127)	(127)
Contributions from parent	—	198	—	198
Balance, March 31, 2021	$ 1,588	$ 8,483	$ 1,526	$ 11,597
Net income	—	—	192	192
Common stock dividends	—	—	(126)	(126)
Contributions from parent	—	197	—	197
Balance, June 30, 2021	$ 1,588	$ 8,680	$ 1,592	$ 11,860

See the Combined Notes to Consolidated Financial Statements

PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

(In millions)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Operating revenues				
Electric operating revenues	$ 707	$ 602	$ 1,441	$ 1,251
Natural gas operating revenues	108	82	414	310
Revenues from alternative revenue programs	—	7	6	17
Operating revenues from affiliates	1	2	2	4
Total operating revenues	816	693	1,863	1,582
Operating expenses				
Purchased power	244	145	472	334
Purchased fuel	39	22	184	108
Purchased power from affiliate	—	40	33	81
Operating and maintenance	168	166	364	360
Operating and maintenance from affiliates	47	43	99	83
Depreciation and amortization	93	87	185	173
Taxes other than income taxes	48	49	95	92
Total operating expenses	639	552	1,432	1,231
Operating income	177	141	431	351
Other income and (deductions)				
Interest expense, net	(40)	(39)	(78)	(74)
Interest expense to affiliates	(3)	(3)	(6)	(6)
Other, net	8	7	16	12
Total other income and (deductions)	(35)	(35)	(68)	(68)
Income before income taxes	142	106	363	283
Income taxes	9	2	24	12
Net income	$ 133	$ 104	$ 339	$ 271
Comprehensive income	$ 133	$ 104	$ 339	$ 271

See the Combined Notes to Consolidated Financial Statements

PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Cash flows from operating activities		
Net income	$ 339	$ 271
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	185	173
Deferred income taxes and amortization of investment tax credits	14	21
Other non-cash operating activities	4	(5)
Changes in assets and liabilities:		
Accounts receivable	(29)	86
Receivables from and payables to affiliates, net	(40)	2
Inventories	(8)	3
Accounts payable and accrued expenses	5	(46)
Income taxes	49	24
Regulatory assets and liabilities, net	(24)	(14)
Pension and non-pension postretirement benefit contributions	(13)	(15)
Other assets and liabilities	(70)	(126)
Net cash flows provided by operating activities	412	374
Cash flows from investing activities		
Capital expenditures	(658)	(577)
Other investing activities	5	4
Net cash flows used in investing activities	(653)	(573)
Cash flows from financing activities		
Changes in short-term borrowings	210	—
Issuance of long-term debt	350	375
Retirement of long-term debt	(350)	—
Changes in Exelon intercompany money pool	—	(40)
Dividends paid on common stock	(200)	(169)
Contributions from parent	227	395
Other financing activities	(8)	(4)
Net cash flows provided by financing activities	229	557
(Decrease) increase in cash, restricted cash, and cash equivalents	(12)	358
Cash, restricted cash, and cash equivalents at beginning of period	44	26
Cash, restricted cash, and cash equivalents at end of period	$ 32	$ 384
Supplemental cash flow information		
Decrease in capital expenditures not paid	$ (11)	$ (16)

See the Combined Notes to Consolidated Financial Statements

PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2022		December 31, 2021	
ASSETS				
Current assets				
Cash and cash equivalents	$	23	$	36
Restricted cash and cash equivalents		9		8
Accounts receivable				
Customer accounts receivable	493		489	
Customer allowance for credit losses	(107)		(105)	
Customer accounts receivable, net		386		384
Other accounts receivable	138		116	
Other allowance for credit losses	(10)		(7)	
Other accounts receivable, net		128		109
Receivables from affiliates		—		1
Inventories, net				
Fossil fuel		55		51
Materials and supplies		48		45
Prepaid utility taxes		85		1
Regulatory assets		61		48
Other		36		28
Total current assets		831		711
Property, plant, and equipment (net of accumulated depreciation and amortization of $4,021 and $3,964 as of June 30, 2022 and December 31, 2021, respectively)		11,591		11,117
Deferred debits and other assets				
Regulatory assets		1,033		943
Receivables from affiliates		—		597
Receivable related to Regulatory Agreement Units		292		—
Investments		32		34
Prepaid pension asset		405		386
Other		32		36
Total deferred debits and other assets		1,794		1,996
Total assets	$	14,216	$	13,824

See the Combined Notes to Consolidated Financial Statements

PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2022	December 31, 2021
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Short-term borrowings	$ 210	$ —
Long-term debt due within one year	50	350
Accounts payable	525	494
Accrued expenses	161	136
Payables to affiliates	29	70
Customer deposits	53	48
Regulatory liabilities	75	94
Other	47	35
Total current liabilities	1,150	1,227
Long-term debt	4,142	3,847
Long-term debt to financing trusts	184	184
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	2,534	2,421
Regulatory liabilities	329	635
Asset retirement obligations	29	29
Non-pension postretirement benefits obligations	288	286
Other	82	83
Total deferred credits and other liabilities	3,262	3,454
Total liabilities	8,738	8,712
Commitments and contingencies		
Shareholder’s equity		
Common stock	3,655	3,428
Retained earnings	1,823	1,684
Total shareholder’s equity	5,478	5,112
Total liabilities and shareholder's equity	$ 14,216	$ 13,824

See the Combined Notes to Consolidated Financial Statements

PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
(Unaudited)

	Six Months Ended June 30, 2022		
(In millions)	Common Stock	Retained Earnings	Total Shareholder's Equity
Balance, December 31, 2021	$ 3,428	$ 1,684	$ 5,112
Net income	—	206	206
Common stock dividends	—	(100)	(100)
Contributions from parent	227	—	227
Balance, March 31, 2022	$ 3,655	$ 1,790	$ 5,445
Net income	—	133	133
Common stock dividends	—	(100)	(100)
Balance, June 30, 2022	$ 3,655	$ 1,823	$ 5,478

	Six Months Ended June 30, 2021		
(In millions)	Common Stock	Retained Earnings	Total Shareholder's Equity
Balance, December 31, 2020	$ 3,014	$ 1,519	$ 4,533
Net income	—	167	167
Common stock dividends	—	(85)	(85)
Balance, March 31, 2021	$ 3,014	$ 1,601	$ 4,615
Net income	—	104	104
Common stock dividends	—	(84)	(84)
Contributions from parent	395	—	395
Balance, June 30, 2021	$ 3,409	$ 1,621	$ 5,030

See the Combined Notes to Consolidated Financial Statements

BALTIMORE GAS AND ELECTRIC COMPANY
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	2022	2021	2022	2021
Operating revenues				
Electric operating revenues	$ 642	$ 560	$ 1,377	$ 1,180
Natural gas operating revenues	161	125	585	455
Revenues from alternative revenue programs	(20)	(10)	(32)	8
Operating revenues from affiliates	3	7	10	13
Total operating revenues	786	682	1,940	1,656
Operating expenses				
Purchased power	241	133	526	295
Purchased fuel	48	27	199	126
Purchased power and fuel from affiliate	—	59	18	129
Operating and maintenance	154	147	321	299
Operating and maintenance from affiliates	51	46	102	91
Depreciation and amortization	152	141	322	293
Taxes other than income taxes	71	67	148	139
Total operating expenses	717	620	1,636	1,372
Operating income	69	62	304	284
Other income and (deductions)				
Interest expense, net	(36)	(34)	(71)	(67)
Other, net	5	9	11	16
Total other income and (deductions)	(31)	(25)	(60)	(51)
Income before income taxes	38	37	244	233
Income taxes	1	(8)	10	(21)
Net income	$ 37	$ 45	$ 234	$ 254
Comprehensive income	$ 37	$ 45	$ 234	$ 254

See the Combined Notes to Consolidated Financial Statements

BALTIMORE GAS AND ELECTRIC COMPANY
STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	Six Months Ended June 30, 2022	2021
Cash flows from operating activities		
Net income	$ 234	$ 254
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	322	293
Deferred income taxes and amortization of investment tax credits	13	11
Other non-cash operating activities	79	28
Changes in assets and liabilities:		
Accounts receivable	(14)	73
Receivables from and payables to affiliates, net	(11)	(19)
Inventories	(27)	(9)
Accounts payable and accrued expenses	(12)	(51)
Collateral received, net	190	2
Income taxes	(27)	(27)
Regulatory assets and liabilities, net	(36)	(61)
Pension and non-pension postretirement benefit contributions	(59)	(71)
Other assets and liabilities	24	(35)
Net cash flows provided by operating activities	676	388
Cash flows from investing activities		
Capital expenditures	(578)	(620)
Other investing activities	7	10
Net cash flows used in investing activities	(571)	(610)
Cash flows from financing activities		
Changes in short-term borrowings	(130)	—
Issuance of long-term debt	500	600
Dividends paid on common stock	(150)	(146)
Contributions from parent	186	—
Other financing activities	(7)	(6)
Net cash flows provided by financing activities	399	448
Increase in cash, restricted cash, and cash equivalents	504	226
Cash, restricted cash, and cash equivalents at beginning of period	55	145
Cash, restricted cash, and cash equivalents at end of period	$ 559	$ 371
Supplemental cash flow information		
Decrease in capital expenditures not paid	$ (21)	$ (71)

See the Combined Notes to Consolidated Financial Statements

BALTIMORE GAS AND ELECTRIC COMPANY
BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2022		December 31, 2021	
ASSETS				
Current assets				
Cash and cash equivalents	$	354	$	51
Restricted cash and cash equivalents		205		4
Accounts receivable				
Customer accounts receivable	462		436	
Customer allowance for credit losses	(57)		(38)	
Customer accounts receivable, net		405		398
Other accounts receivable	122		124	
Other allowance for credit losses	(11)		(9)	
Other accounts receivable, net		111		115
Receivables from affiliates		—		1
Inventories, net				
Fossil fuel		68		42
Materials and supplies		54		53
Prepaid utility taxes		—		49
Regulatory assets		178		215
Other		10		8
Total current assets		1,385		936
Property, plant, and equipment (net of accumulated depreciation and amortization of $4,464 and $4,299 as of June 30, 2022 and December 31, 2021, respectively)		10,899		10,577
Deferred debits and other assets				
Regulatory assets		465		477
Investments		7		14
Prepaid pension asset		307		276
Other		30		44
Total deferred debits and other assets		809		811
Total assets	$	13,093	$	12,324

See the Combined Notes to Consolidated Financial Statements

BALTIMORE GAS AND ELECTRIC COMPANY
BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2022	December 31, 2021
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Short-term borrowings	$ —	$ 130
Long-term debt due within one year	250	250
Accounts payable	339	349
Accrued expenses	133	176
Payables to affiliates	30	48
Customer deposits	100	97
Regulatory liabilities	45	26
Other	224	48
Total current liabilities	1,121	1,124
Long-term debt	4,206	3,711
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	1,777	1,686
Regulatory liabilities	869	934
Asset retirement obligations	26	26
Non-pension postretirement benefits obligations	169	175
Other	85	98
Total deferred credits and other liabilities	2,926	2,919
Total liabilities	8,253	7,754
Commitments and contingencies		
Shareholder's equity		
Common stock	2,761	2,575
Retained earnings	2,079	1,995
Total shareholder's equity	4,840	4,570
Total liabilities and shareholder's equity	$ 13,093	$ 12,324

See the Combined Notes to Consolidated Financial Statements

BALTIMORE GAS AND ELECTRIC COMPANY
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
(Unaudited)

	Six Months Ended June 30, 2022		
(In millions)	Common Stock	Retained Earnings	Total Shareholder's Equity
Balance, December 31, 2021	$ 2,575	$ 1,995	$ 4,570
Net income	—	198	198
Common stock dividends	—	(76)	(76)
Balance, March 31, 2022	$ 2,575	$ 2,117	$ 4,692
Net income	—	37	37
Common stock dividends	—	(75)	(75)
Contributions from parent	186	—	186
Balance, June 30, 2022	$ 2,761	$ 2,079	$ 4,840

	Six Months Ended June 30, 2021		
(In millions)	Common Stock	Retained Earnings	Total Shareholder's Equity
Balance, December 31, 2020	$ 2,318	$ 1,879	$ 4,197
Net income	—	209	209
Common stock dividends	—	(74)	(74)
Balance, March 31, 2021	$ 2,318	$ 2,014	$ 4,332
Net income	—	45	45
Common stock dividends	—	(72)	(72)
Balance, June 30, 2021	$ 2,318	$ 1,987	$ 4,305

See the Combined Notes to Consolidated Financial Statements

PEPCO HOLDINGS LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

(In millions)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Operating revenues				
Electric operating revenues	$ 1,199	$ 1,071	$ 2,522	$ 2,195
Natural gas operating revenues	37	24	120	94
Revenues from alternative revenue programs	(17)	41	(22)	88
Operating revenues from affiliates	2	4	6	7
Total operating revenues	1,221	1,140	2,626	2,384
Operating expenses				
Purchased power	401	308	888	656
Purchased fuel	19	9	61	41
Purchased power from affiliates	—	79	50	177
Operating and maintenance	245	217	493	434
Operating and maintenance from affiliates	47	39	98	79
Depreciation and amortization	240	194	459	404
Taxes other than income taxes	114	109	233	222
Total operating expenses	1,066	955	2,282	2,013
Operating income	155	185	344	371
Other income and (deductions)				
Interest expense, net	(73)	(67)	(143)	(134)
Other, net	19	20	37	36
Total other income and (deductions)	(54)	(47)	(106)	(98)
Income before income taxes	101	138	238	273
Income taxes	1	(3)	8	5
Equity in earnings of unconsolidated affiliate	—	—	—	1
Net income	$ 100	$ 141	$ 230	$ 269
Comprehensive income	$ 100	$ 141	$ 230	$ 269

See the Combined Notes to Consolidated Financial Statements

PEPCO HOLDINGS LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Cash flows from operating activities		
Net income	$ 230	$ 269
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	459	404
Deferred income taxes and amortization of investment tax credits	(7)	10
Other non-cash operating activities	76	(50)
Changes in assets and liabilities:		
Accounts receivable	(92)	(30)
Receivables from and payables to affiliates, net	(53)	(22)
Inventories	(7)	3
Accounts payable and accrued expenses	10	(35)
Collateral received, net	403	—
Income taxes	(2)	(1)
Regulatory assets and liabilities, net	(71)	(33)
Pension and non-pension postretirement benefit contributions	(70)	(40)
Other assets and liabilities	(86)	(98)
Net cash flows provided by operating activities	790	377
Cash flows from investing activities		
Capital expenditures	(776)	(889)
Other investing activities	3	(2)
Net cash flows used in investing activities	(773)	(891)
Cash flows from financing activities		
Changes in short-term borrowings	(425)	(36)
Issuance of long-term debt	700	625
Retirement of long-term debt	(200)	(249)
Changes in Exelon intercompany money pool	17	(12)
Distributions to member	(395)	(414)
Contributions from member	704	560
Other financing activities	(12)	(8)
Net cash flows provided by financing activities	389	466
Increase (decrease) in cash, restricted cash, and cash equivalents	406	(48)
Cash, restricted cash, and cash equivalents at beginning of period	213	160
Cash, restricted cash, and cash equivalents at end of period	$ 619	$ 112
Supplemental cash flow information		
Decrease in capital expenditures not paid	$ (48)	$ (41)

See the Combined Notes to Consolidated Financial Statements

PEPCO HOLDINGS LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2022		December 31, 2021	
ASSETS				
Current assets				
Cash and cash equivalents	$	278	$	136
Restricted cash and cash equivalents		341		77
Accounts receivable				
Customer accounts receivable	676		616	
Customer allowance for credit losses	(109)		(104)	
Customer accounts receivable, net		567		512
Other accounts receivable	291		283	
Other allowance for credit losses	(42)		(39)	
Other accounts receivable, net		249		244
Receivables from affiliates		1		2
Inventories, net				
Fossil fuel		10		11
Materials and supplies		217		209
Regulatory assets		435		432
Other		90		69
Total current assets		2,188		1,692
Property, plant, and equipment (net of accumulated depreciation and amortization of $2,365 and $2,108 as of June 30, 2022 and December 31, 2021, respectively)		16,915		16,498
Deferred debits and other assets				
Regulatory assets		1,714		1,794
Goodwill		4,005		4,005
Investments		139		145
Prepaid pension asset		380		344
Deferred income taxes		6		8
Other		245		258
Total deferred debits and other assets		6,489		6,554
Total assets	$	25,592	$	24,744

See the Combined Notes to Consolidated Financial Statements

PEPCO HOLDINGS LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2022	December 31, 2021
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Short-term borrowings	$ 43	$ 468
Long-term debt due within one year	200	399
Accounts payable	574	578
Accrued expenses	246	281
Payables to affiliates	50	104
Borrowings from Exelon intercompany money pool	24	7
Customer deposits	81	81
Regulatory liabilities	71	68
Unamortized energy contract liabilities	11	89
PPA termination obligation	87	—
Other	580	171
Total current liabilities	1,967	2,246
Long-term debt	7,827	7,148
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	2,752	2,675
Regulatory liabilities	1,142	1,238
Asset retirement obligations	70	70
Non-pension postretirement benefit obligations	57	66
Unamortized energy contract liabilities	38	146
Other	615	570
Total deferred credits and other liabilities	4,674	4,765
Total liabilities	14,468	14,159
Commitments and contingencies		
Member's equity		
Membership interest	11,499	10,795
Undistributed losses	(375)	(210)
Total member's equity	11,124	10,585
Total liabilities and member's equity	$ 25,592	$ 24,744

See the Combined Notes to Consolidated Financial Statements

PEPCO HOLDINGS LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBER'S EQUITY
(Unaudited)

	Six Months Ended June 30, 2022		
(In millions)	Membership Interest	Undistributed (Losses)/Earnings	Total Member's Equity
Balance, December 31, 2021	$ 10,795	$ (210)	$ 10,585
Net income	—	130	130
Distributions to member	—	(102)	(102)
Contributions from member	704	—	704
Balance, March 31, 2022	$ 11,499	$ (182)	$ 11,317
Net income	—	100	100
Distributions to member	—	(293)	(293)
Balance, June 30, 2022	$ 11,499	$ (375)	$ 11,124

	Six Months Ended June 30, 2021		
(In millions)	Membership Interest	Undistributed (Losses)/Earnings	Total Member's Equity
Balance, December 31, 2020	$ 10,112	$ (68)	$ 10,044
Net income	—	128	128
Distributions to member	—	(81)	(81)
Contributions from member	560	—	560
Balance, March 31, 2021	$ 10,672	$ (21)	$ 10,651
Net income	—	141	141
Distributions to member	—	(333)	(333)
Balance, June 30, 2021	$ 10,672	$ (213)	$ 10,459

See the Combined Notes to Consolidated Financial Statements

POTOMAC ELECTRIC POWER COMPANY
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

(In millions)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Operating revenues				
Electric operating revenues	$ 580	$ 503	$ 1,200	$ 1,027
Revenues from alternative revenue programs	(1)	19	(7)	46
Operating revenues from affiliates	2	1	2	3
Total operating revenues	581	523	1,195	1,076
Operating expenses				
Purchased power	162	76	336	168
Purchased power from affiliate	—	57	39	130
Operating and maintenance	72	62	145	118
Operating and maintenance from affiliates	56	51	115	103
Depreciation and amortization	105	96	213	199
Taxes other than income taxes	92	87	186	177
Total operating expenses	487	429	1,034	895
Operating income	94	94	161	181
Other income and (deductions)				
Interest expense, net	(38)	(35)	(74)	(69)
Other, net	13	13	26	25
Total other income and (deductions)	(25)	(22)	(48)	(44)
Income before income taxes	69	72	113	137
Income taxes	(1)	(3)	(3)	3
Net income	$ 70	$ 75	$ 116	$ 134
Comprehensive income	$ 70	$ 75	$ 116	$ 134

See the Combined Notes to Consolidated Financial Statements

POTOMAC ELECTRIC POWER COMPANY
STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	Six Months Ended June 30, 2022	2021
Cash flows from operating activities		
Net income	$ 116	$ 134
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	213	199
Deferred income taxes and amortization of investment tax credits	(7)	10
Other non-cash operating activities	17	(43)
Changes in assets and liabilities:		
Accounts receivable	(62)	(23)
Receivables from and payables to affiliates, net	(39)	(11)
Inventories	(6)	1
Accounts payable and accrued expenses	6	(26)
Collateral received, net	85	—
Income taxes	(24)	(20)
Regulatory assets and liabilities, net	(36)	(38)
Pension and non-pension postretirement benefit contributions	(7)	(7)
Other assets and liabilities	(15)	(41)
Net cash flows provided by operating activities	241	135
Cash flows from investing activities		
Capital expenditures	(402)	(439)
Other investing activities	2	(2)
Net cash flows used in investing activities	(400)	(441)
Cash flows from financing activities		
Changes in short-term borrowings	(132)	119
Issuance of long-term debt	400	150
Retirement of long-term debt	(200)	—
Changes in PHI intercompany money pool	73	9
Dividends paid on common stock	(300)	(123)
Contributions from parent	387	138
Other financing activities	(6)	(2)
Net cash flows provided by financing activities	222	291
Increase (decrease) in cash, restricted cash, and cash equivalents	63	(15)
Cash, restricted cash, and cash equivalents at beginning of period	68	65
Cash, restricted cash, and cash equivalents at end of period	$ 131	$ 50
Supplemental cash flow information		
Decrease in capital expenditures not paid	$ (24)	$ (15)

See the Combined Notes to Consolidated Financial Statements

POTOMAC ELECTRIC POWER COMPANY
BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2022		December 31, 2021	
ASSETS				
Current assets				
Cash and cash equivalents	$	14	$	34
Restricted cash and cash equivalents		117		34
Accounts receivable				
Customer accounts receivable	328		277	
Customer allowance for credit losses	(42)		(37)	
Customer accounts receivable, net		286		240
Other accounts receivable	165		160	
Other allowance for credit losses	(20)		(16)	
Other accounts receivable, net		145		144
Receivables from affiliates		9		—
Inventories, net		125		119
Regulatory assets		220		213
Other		12		25
Total current assets		928		809
Property, plant, and equipment (net of accumulated depreciation and amortization of $3,970 and $3,875 as of June 30, 2022 and December 31, 2021, respectively)		8,365		8,104
Deferred debits and other assets				
Regulatory assets		478		532
Investments		118		120
Prepaid pension asset		277		279
Other		60		59
Total deferred debits and other assets		933		990
Total assets	$	10,226	$	9,903

See the Combined Notes to Consolidated Financial Statements

POTOMAC ELECTRIC POWER COMPANY
BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2022	December 31, 2021
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Short-term borrowings	$ 43	$ 175
Long-term debt due within one year	114	313
Accounts payable	269	272
Accrued expenses	124	160
Payables to affiliates	29	59
Borrowings from PHI intercompany money pool	73	—
Customer deposits	36	35
Regulatory liabilities	12	14
Merger related obligation	25	27
Other	149	55
Total current liabilities	874	1,110
Long-term debt	3,528	3,132
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	1,314	1,275
Regulatory liabilities	507	549
Asset retirement obligations	45	45
Non-pension postretirement benefit obligations	—	3
Other	280	314
Total deferred credits and other liabilities	2,146	2,186
Total liabilities	6,548	6,428
Commitments and contingencies		
Shareholder's equity		
Common stock	2,689	2,302
Retained earnings	989	1,173
Total shareholder's equity	3,678	3,475
Total liabilities and shareholder's equity	$ 10,226	$ 9,903

See the Combined Notes to Consolidated Financial Statements

POTOMAC ELECTRIC POWER COMPANY
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
(Unaudited)

	Six Months Ended June 30, 2022		
(In millions)	Common Stock	Retained Earnings	Total Shareholder's Equity
Balance, December 31, 2021	$ 2,302	$ 1,173	$ 3,475
Net income	—	46	46
Common stock dividends	—	(42)	(42)
Contributions from parent	387	—	387
Balance, March 31, 2022	$ 2,689	$ 1,177	$ 3,866
Net income	—	70	70
Common stock dividends	—	(258)	(258)
Balance, June 30, 2022	$ 2,689	$ 989	$ 3,678

	Six Months Ended June 30, 2021		
(In millions)	Common Stock	Retained Earnings	Total Shareholder's Equity
Balance, December 31, 2020	$ 2,058	$ 1,145	$ 3,203
Net income	—	59	59
Common stock dividends	—	(28)	(28)
Contributions from parent	138	—	138
Balance, March 31, 2021	$ 2,196	$ 1,176	$ 3,372
Net income	—	75	75
Common stock dividends	—	(95)	(95)
Balance, June 30, 2021	$ 2,196	$ 1,156	$ 3,352

See the Combined Notes to Consolidated Financial Statements

DELMARVA POWER & LIGHT COMPANY
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	2022	2021	2022	2021
Operating revenues				
Electric operating revenues	$ 295	$ 262	$ 643	$ 562
Natural gas operating revenues	37	24	120	95
Revenues from alternative revenue programs	(2)	10	(3)	19
Operating revenues from affiliates	2	2	3	4
Total operating revenues	332	298	763	680
Operating expenses				
Purchased power	116	82	253	185
Purchased fuel	19	9	61	41
Purchased power from affiliates	—	17	10	37
Operating and maintenance	45	41	97	85
Operating and maintenance from affiliates	43	39	84	79
Depreciation and amortization	56	51	113	104
Taxes other than income taxes	17	16	35	33
Total operating expenses	296	255	653	564
Operating income	36	43	110	116
Other income and (deductions)				
Interest expense, net	(17)	(16)	(33)	(30)
Other, net	4	4	6	6
Total other income and (deductions)	(13)	(12)	(27)	(24)
Income before income taxes	23	31	83	92
Income taxes	2	1	6	6
Net income	$ 21	$ 30	$ 77	$ 86
Comprehensive income	$ 21	$ 30	$ 77	$ 86

See the Combined Notes to Consolidated Financial Statements

DELMARVA POWER & LIGHT COMPANY
STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	Six Months Ended June 30, 2022	2021
Cash flows from operating activities		
Net income	$ 77	$ 86
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	113	104
Deferred income taxes and amortization of investment tax credits	3	4
Other non-cash operating activities	13	(12)
Changes in assets and liabilities:		
Accounts receivable	(8)	24
Receivables from and payables to affiliates, net	(3)	(12)
Inventories	1	—
Accounts payable and accrued expenses	12	7
Collateral received, net	180	—
Income taxes	6	14
Regulatory assets and liabilities, net	(11)	(13)
Pension and non-pension postretirement benefit contributions	(1)	—
Other assets and liabilities	1	(9)
Net cash flows provided by operating activities	383	193
Cash flows from investing activities		
Capital expenditures	(194)	(211)
Changes in PHI intercompany money pool	(73)	(9)
Other investing activities	2	1
Net cash flows used in investing activities	(265)	(219)
Cash flows from financing activities		
Changes in short-term borrowings	(149)	(146)
Issuance of long-term debt	125	125
Dividends paid on common stock	(56)	(63)
Contributions from parent	144	120
Other financing activities	(4)	(3)
Net cash flows provided by financing activities	60	33
Increase in cash, restricted cash, and cash equivalents	178	7
Cash, restricted cash, and cash equivalents at beginning of period	71	15
Cash, restricted cash, and cash equivalents at end of period	$ 249	$ 22
Supplemental cash flow information		
Decrease in capital expenditures not paid	$ (5)	$ (14)

See the Combined Notes to Consolidated Financial Statements

DELMARVA POWER & LIGHT COMPANY
BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2022		December 31, 2021	
ASSETS				
Current assets				
Cash and cash equivalents	$	26	$	28
Restricted cash and cash equivalents		223		43
Accounts receivable				
Customer accounts receivable	154		149	
Customer allowance for credit losses	(22)		(18)	
Customer accounts receivable, net		132		131
Other accounts receivable	55		58	
Other allowance for credit losses	(8)		(8)	
Other accounts receivable, net		47		50
Receivables from affiliates		—		1
Receivable from PHI intercompany pool		73		—
Inventories, net				
Fossil fuel		10		11
Materials and supplies		54		54
Prepaid utility taxes		—		20
Regulatory assets		68		68
Other		29		16
Total current assets		662		422
Property, plant, and equipment (net of accumulated depreciation and amortization of $1,704 and $1,635 as of June 30, 2022 and December 31, 2021, respectively)		4,661		4,560
Deferred debits and other assets				
Regulatory assets		204		212
Prepaid pension asset		156		157
Other		59		61
Total deferred debits and other assets		419		430
Total assets	$	5,742	$	5,412

See the Combined Notes to Consolidated Financial Statements

DELMARVA POWER & LIGHT COMPANY
BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2022	December 31, 2021
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Short-term borrowings	$ —	$ 149
Long-term debt due within one year	84	83
Accounts payable	141	131
Accrued expenses	40	40
Payables to affiliates	29	33
Customer deposits	27	28
Regulatory liabilities	31	25
Other	239	59
Total current liabilities	591	548
Long-term debt	1,854	1,727
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	830	803
Regulatory liabilities	415	441
Asset retirement obligations	16	16
Non-pension postretirement benefits obligations	10	11
Other	84	89
Total deferred credits and other liabilities	1,355	1,360
Total liabilities	3,800	3,635
Commitments and contingencies		
Shareholder's equity		
Common stock	1,353	1,209
Retained earnings	589	568
Total shareholder's equity	1,942	1,777
Total liabilities and shareholder's equity	$ 5,742	$ 5,412

See the Combined Notes to Consolidated Financial Statements

DELMARVA POWER & LIGHT COMPANY
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
(Unaudited)

	Six Months Ended June 30, 2022		
(In millions)	Common Stock	Retained Earnings	Total Shareholder's Equity
Balance, December 31, 2021	$ 1,209	$ 568	$ 1,777
Net income	—	56	56
Common stock dividends	—	(41)	(41)
Contributions from parent	144	—	144
Balance, March 31, 2022	$ 1,353	$ 583	$ 1,936
Net income	—	21	21
Common stock dividends	—	(15)	(15)
Balance, June 30, 2022	$ 1,353	$ 589	$ 1,942

	Six Months Ended June 30, 2021		
(In millions)	Common Stock	Retained Earnings	Total Shareholder's Equity
Balance, December 31, 2020	$ 1,089	$ 587	$ 1,676
Net income	—	56	56
Common stock dividends	—	(40)	(40)
Contributions from parent	120	—	120
Balance, March 31, 2021	$ 1,209	$ 603	$ 1,812
Net income	—	30	30
Common stock dividends	—	(23)	(23)
Balance, June 30, 2021	$ 1,209	$ 610	$ 1,819

See the Combined Notes to Consolidated Financial Statements

ATLANTIC CITY ELECTRIC COMPANY AND SUBSIDIARY COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

(In millions)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Operating revenues				
Electric operating revenues	$ 323	$ 306	$ 668	$ 605
Revenues from alternative revenue programs	(15)	12	(12)	23
Operating revenues from affiliates	1	1	2	1
Total operating revenues	309	319	658	629
Operating expenses				
Purchased power	123	149	299	302
Purchased power from affiliate	—	5	2	9
Operating and maintenance	50	39	97	82
Operating and maintenance from affiliates	36	34	73	68
Depreciation and amortization	72	40	118	87
Taxes other than income taxes	2	2	4	4
Total operating expenses	283	269	593	552
Operating income	26	50	65	77
Other income and (deductions)				
Interest expense, net	(17)	(14)	(32)	(29)
Other, net	2	—	5	2
Total other income and (deductions)	(15)	(14)	(27)	(27)
Income before income taxes	11	36	38	50
Income taxes	—	(1)	1	(1)
Net income	$ 11	$ 37	$ 37	$ 51
Comprehensive income	$ 11	$ 37	$ 37	$ 51

See the Combined Notes to Consolidated Financial Statements

ATLANTIC CITY ELECTRIC COMPANY AND SUBSIDIARY COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Cash flows from operating activities		
Net income	$ 37	$ 51
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	118	87
Deferred income taxes and amortization of investment tax credits	—	(2)
Other non-cash operating activities	25	(14)
Changes in assets and liabilities:		
Accounts receivable	(20)	(30)
Receivables from and payables to affiliates, net	(10)	4
Inventories	(2)	2
Accounts payable and accrued expenses	9	(2)
Collateral received, net	137	—
Income taxes	8	2
Regulatory assets and liabilities, net	(11)	18
Pension and non-pension postretirement benefit contributions	(7)	(3)
Other assets and liabilities	(63)	(43)
Net cash flows provided by operating activities	221	70
Cash flows from investing activities		
Capital expenditures	(179)	(239)
Net cash flows used in investing activities	(179)	(239)
Cash flows from financing activities		
Changes in short-term borrowings	(144)	(9)
Issuance of long-term debt	175	350
Retirement of long-term debt	—	(249)
Dividends paid on common stock	(38)	(229)
Contributions from parent	173	303
Other financing activities	(4)	(4)
Net cash flows provided by financing activities	162	162
Increase (decrease) in cash, restricted cash, and cash equivalents	204	(7)
Cash, restricted cash, and cash equivalents at beginning of period	29	30
Cash, restricted cash, and cash equivalents at end of period	$ 233	$ 23
Supplemental cash flow information		
Decrease in capital expenditures not paid	$ (19)	$ (13)

See the Combined Notes to Consolidated Financial Statements

ATLANTIC CITY ELECTRIC COMPANY AND SUBSIDIARY COMPANY
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2022		December 31, 2021	
ASSETS				
Current assets				
Cash and cash equivalents	$	233	$	29
Accounts receivable				
Customer accounts receivable	194		190	
Customer allowance for credit losses	(45)		(49)	
Customer accounts receivable, net		149		141
Other accounts receivable	70		76	
Other allowance for credit losses	(14)		(15)	
Other accounts receivable, net		56		61
Receivables from affiliates		1		2
Inventories, net		38		36
Prepaid utility taxes		40		—
Regulatory assets		135		61
Other		7		3
Total current assets		659		333
Property, plant, and equipment (net of accumulated depreciation and amortization of $1,491 and $1,420 as of June 30, 2022 and December 31, 2021, respectively)		3,798		3,729
Deferred debits and other assets				
Regulatory assets		535		430
Prepaid pension asset		26		27
Other		34		37
Total deferred debits and other assets		595		494
Total assets	$	5,052	$	4,556

See the Combined Notes to Consolidated Financial Statements

ATLANTIC CITY ELECTRIC COMPANY AND SUBSIDIARY COMPANY
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2022	December 31, 2021
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Short-term borrowings	$ —	$ 144
Long-term debt due within one year	3	3
Accounts payable	157	165
Accrued expenses	43	44
Payables to affiliates	20	31
Customer deposits	18	18
Regulatory liabilities	29	28
PPA termination obligation	87	—
Other	149	12
Total current liabilities	506	445
Long-term debt	1,754	1,579
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	695	682
Regulatory liabilities	197	214
Non-pension postretirement benefit obligations	10	12
Other	143	49
Total deferred credits and other liabilities	1,045	957
Total liabilities	3,305	2,981
Commitments and contingencies		
Shareholder's equity		
Common stock	1,763	1,590
Retained deficit	(16)	(15)
Total shareholder's equity	1,747	1,575
Total liabilities and shareholder's equity	$ 5,052	$ 4,556

See the Combined Notes to Consolidated Financial Statements

ATLANTIC CITY ELECTRIC COMPANY AND SUBSIDIARY COMPANY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
(Unaudited)

	Six Months Ended June 30, 2022		
(In millions)	Common Stock	Retained Deficit	Total Shareholder's Equity
Balance, December 31, 2021	$ 1,590	$ (15)	$ 1,575
Net income	—	26	26
Common stock dividends	—	(19)	(19)
Contributions from parent	173	—	173
Balance, March 31, 2022	$ 1,763	$ (8)	$ 1,755
Net income	—	11	11
Common stock dividends	—	(19)	(19)
Balance, June 30, 2022	$ 1,763	$ (16)	$ 1,747

	Six Months Ended June 30, 2021		
(In millions)	Common Stock	Retained Earnings (Deficit)	Total Shareholder's Equity
Balance, December 31, 2020	$ 1,271	$ 127	$ 1,398
Net income	—	14	14
Common stock dividends	—	(14)	(14)
Contributions from parent	303	—	303
Balance, March 31, 2021	$ 1,574	$ 127	$ 1,701
Net income	—	37	37
Common stock dividends	—	(215)	(215)
Balance, June 30, 2021	$ 1,574	$ (51)	$ 1,523

See the Combined Notes to Consolidated Financial Statements

1. Significant Accounting Policies (All Registrants)

Description of Business

Exelon is a utility services holding company engaged in the energy distribution and transmission businesses through ComEd, PECO, BGE, Pepco, DPL, and ACE.

On February 21, 2021, Exelon's Board of Directors approved a plan to separate the Utility Registrants and Generation. The separation was completed on February 1, 2022, creating two publicly traded companies, Exelon and Constellation. See Note 2 — Discontinued Operations for additional information.

Name of Registrant	Business	Service Territories
Commonwealth Edison Company	Purchase and regulated retail sale of electricity	Northern Illinois, including the City of Chicago
	Transmission and distribution of electricity to retail customers	
PECO Energy Company	Purchase and regulated retail sale of electricity and natural gas	Southeastern Pennsylvania, including the City of Philadelphia (electricity)
	Transmission and distribution of electricity and distribution of natural gas to retail customers	Pennsylvania counties surrounding the City of Philadelphia (natural gas)
Baltimore Gas and Electric Company	Purchase and regulated retail sale of electricity and natural gas	Central Maryland, including the City of Baltimore (electricity and natural gas)
	Transmission and distribution of electricity and distribution of natural gas to retail customers	
Pepco Holdings LLC	Utility services holding company engaged, through its reportable segments Pepco, DPL, and ACE	Service Territories of Pepco, DPL, and ACE
Potomac Electric Power Company	Purchase and regulated retail sale of electricity	District of Columbia, and major portions of Montgomery and Prince George's Counties, Maryland
	Transmission and distribution of electricity to retail customers	
Delmarva Power & Light Company	Purchase and regulated retail sale of electricity and natural gas	Portions of Delaware and Maryland (electricity)
	Transmission and distribution of electricity and distribution of natural gas to retail customers	Portions of New Castle County, Delaware (natural gas)
Atlantic City Electric Company	Purchase and regulated retail sale of electricity	Portions of Southern New Jersey
	Transmission and distribution of electricity to retail customers	

Basis of Presentation

This is a combined quarterly report of all Registrants. The Notes to the Consolidated Financial Statements apply to the Registrants as indicated parenthetically next to each corresponding disclosure. When appropriate, the Registrants are named specifically for their related activities and disclosures. Each of the Registrant's Consolidated Financial Statements includes the accounts of its subsidiaries. All intercompany transactions have been eliminated, except for the historical transactions between the Utility Registrants and Generation for the purposes of presenting discontinued operations in all periods presented in the Consolidated Statements of Operations and Comprehensive Income.

Through its business services subsidiary, BSC, Exelon provides its subsidiaries with a variety of support services at cost, including legal, human resources, financial, information technology, and supply management services. PHI also has a business services subsidiary, PHISCO, which provides a variety of support services at cost, including legal, accounting, engineering, customer operations, distribution and transmission planning, asset management, system operations, and power procurement, to PHI operating companies. The costs of BSC and PHISCO are directly charged or allocated to the applicable subsidiaries. The results of Exelon's corporate operations are presented as "Other" in the consolidated financial statements and include intercompany eliminations unless otherwise disclosed.

The accompanying consolidated financial statements as of June 30, 2022 and for the three and six months ended June 30, 2022 and 2021 are unaudited but, in the opinion of the management of each Registrant include all adjustments that are considered necessary for a fair statement of the Registrants' respective financial statements in accordance with GAAP. All adjustments are of a normal, recurring nature, except as otherwise disclosed. The December 31, 2021 Consolidated Balance Sheets were derived from audited financial statements. The interim financial statements are to be read in conjunction with prior annual financial statements and notes. Additionally, financial results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the fiscal year ending December 31, 2022. These Combined Notes to Consolidated Financial Statements have been prepared pursuant to the rules and regulations of the SEC for Quarterly Reports on Form 10-Q. Certain information and note disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations.

The separation of Constellation, including Generation and its subsidiaries, meets the criteria for discontinued operations and as such, results of operations are presented as discontinued operations and have been excluded from continuing operations for all periods presented. Accounting rules require that certain BSC costs previously allocated to Generation be presented as part of Exelon's continuing operations as these costs do not qualify as expenses of the discontinued operations. Comprehensive income, shareholders' equity, and cash flows related to Constellation have not been segregated and are included in the Consolidated Statements of Operations and Comprehensive Income, Consolidated Statements of Changes in Shareholders' Equity, and Consolidated Statements of Cash Flows, respectively, for all periods presented. See Note 2 — Discontinued Operations for additional information.

2. Discontinued Operations (Exelon)

On February 21, 2021, Exelon's Board of Directors approved a plan to separate the Utility Registrants and Generation, creating two publicly traded companies ("the separation"). Exelon completed the separation on February 1, 2022, through the distribution of 326,663,937 common stock shares of Constellation, the new publicly traded company, to Exelon shareholders. Under the separation plan, Exelon shareholders retained their current shares of Exelon stock and received one share of Constellation common stock for every three shares of Exelon common stock held on January 20, 2022, the record date for the distribution, in a transaction that is tax-free to Exelon and its shareholders for U.S. federal income tax purposes.

Constellation was newly formed and incorporated in Pennsylvania on June 15, 2021 for the purposes of separation and holds Generation (including Generation's subsidiaries).

Pursuant to the separation:

- Exelon entered into four term loans consisting of a 364-day term loan for $1.15 billion and three 18-month term loans for $300 million, $300 million and $250 million, respectively. Exelon issued these term loans primarily to fund the cash payment to Constellation and for general corporate purposes. See Note 10 — Debt and Credit Agreements for additional information.

- Exelon made a cash payment of $1.75 billion to Constellation on January 31, 2022.

- Exelon contributed its equity ownership interest in Generation to Constellation. Exelon no longer retains any equity ownership interest in Generation or Constellation.

- Exelon transferred certain corporate assets and employee-related obligations to Constellation.

- Exelon received cash from Generation of $258 million to settle the intercompany loan on January 31, 2022. See Note 10 — Debt and Credit Agreements for additional information.

Continuing Involvement

In order to govern the ongoing relationships between Exelon and Constellation after the separation, and to facilitate an orderly transition, Exelon and Constellation have entered into several agreements, including the following:

- Separation Agreement – governs the rights and obligations between Exelon and Constellation regarding certain actions to be taken in connection with the separation, among others, including the allocation of assets and liabilities between Exelon and Constellation.

- Transition Services Agreement (TSA) – governs the terms and conditions of the services that Exelon will provide to Constellation and Constellation will provide to Exelon for an expected period of two years, provided that certain services may be longer than the term and services may be extended with approval from both parties. The services include specified accounting, finance, information technology, human resources, employee benefits and other services that have historically been provided on a centralized basis by BSC. For the three months ended June 30, 2022, the amounts Exelon billed Constellation and Constellation billed Exelon for these services were $69 million recorded in Other income, net and $11 million recorded in Operating and maintenance expense, respectively. Additionally, for the period from February 1, 2022 to June 30, 2022, the amounts Exelon billed Constellation and Constellation billed Exelon for these services were $125 million recorded in Other income, net and $20 million recorded in Operating and maintenance expense, respectively.

- Tax Matters Agreement (TMA) – governs the respective rights, responsibilities and obligations of Exelon and Constellation with respect to all tax matters, including tax liabilities and benefits, tax attributes, tax returns, tax contests and other tax sharing regarding U.S. federal, state, local and foreign income taxes, other tax matters and related tax returns. See Note 7. Income Taxes for additional information.

In addition, the Utility Registrants will continue to incur expenses from transactions with Generation after the separation. Prior to the separation, such expenses were primarily recorded as Purchased power from affiliates and an immaterial amount recorded as Operating and maintenance expense from affiliates at the Utility Registrants. After the separation, such expenses are primarily recorded as Purchased power and an immaterial amount recorded as Operating and maintenance expense at the Utility Registrants.

- ComEd had an ICC-approved RFP contract with Generation to provide a portion of ComEd's electric supply requirements. ComEd also purchased RECs and ZECs from Generation.

- PECO received electric supply from Generation under contracts executed through PECO's competitive procurement process. In addition, PECO had a ten-year agreement with Generation to sell solar AECs.

- BGE received a portion of its energy requirements from Generation under its MDPSC-approved market-based SOS and gas commodity programs.

- Pepco received electric supply from Generation under contracts executed through Pepco's competitive procurement process approved by the MDPSC and DCPSC.

- DPL received a portion of its energy requirements from Generation under its MDPSC and DEPSC approved market-based SOS commodity programs.

- ACE received electric supply from Generation under contracts executed through ACE's competitive procurement process approved by the NJBPU.

ComEd and PECO also have receivables with Generation as a result of the nuclear decommissioning contractual construct whereby, to the extent NDT funds are greater than the underlying ARO at the end of decommissioning, such amounts are due back to ComEd and PECO, as applicable, for payment to their respective customers. See Note 9 — Asset Retirement Obligations of the Combined Notes to Consolidated Financial Statements of the 2021 Recast Form 10-K and Note 15 — Related Party Transactions for additional information.

Discontinued Operations

The separation represented a strategic shift that would have a major effect on Exelon's operations and financial results. Accordingly, the separation meets the criteria for discontinued operations.

The following table presents the results of Constellation that have been reclassified from continuing operations and included in discontinued operations within Exelon's Consolidated Statements of Operations and Comprehensive Income for the three and six months ended June 30, 2022 and June 30, 2021.

These results are primarily Generation, which is comprised of Exelon's Mid-Atlantic, Midwest, New York, ERCOT, and Other Power Regions reportable segments, and include the impact of transaction costs, certain BSC costs, including any transition costs, that were historically allocated and directly attributable to Generation, transactions between Generation and the Utility Registrants, and tax-related adjustments. Transaction costs include costs for external bankers, accountants, appraisers, lawyers, external counsels and other advisors, among others, who are involved in the negotiation, appraisal, due diligence and regulatory approval of the separation. Transition costs are primarily employee-related costs such as recruitment expenses, costs to establish certain stand-alone functions and information technology systems, professional services fees and other separation-related costs during the transition to separate Generation. For the purposes of reporting discontinued operations, these results also include transactions between Generation and the Utility Registrants that were historically eliminated within Exelon's Consolidated Statements of Operations as these transactions will be ongoing after the separation. Certain BSC costs that were historically allocated to Generation are presented as part of continuing operations in Exelon's Consolidated Statements of Operations as these costs do not qualify as expenses of the discontinued operations per the accounting rules.

(Dollars in millions, except per share data, unless otherwise noted)

	Three Months Ended June 30,	Six Months Ended June 30,	
	2021	2022	2021
Operating revenues			
Competitive business revenues	$ 3,900	$ 1,855	$ 9,165
Competitive business revenues from affiliates	255	161	549
Total operating revenues	4,155	2,016	9,714
Operating expenses			
Competitive businesses purchased power and fuel	1,947	1,138	6,557
Operating and maintenance[(a)]	1,382	371	2,287
Depreciation and amortization	930	94	1,869
Taxes other than income taxes	118	44	239
Total operating expenses	4,377	1,647	10,952
Gain on sales of assets and businesses	8	10	79
Operating income (loss)	(214)	379	(1,159)
Other income and (deductions)			
Interest expense, net	(72)	(20)	(140)
Other, net	508	(281)	675
Total other income and (deductions)	436	(301)	535
Income (loss) before income taxes	222	78	(624)
Income taxes	71	(40)	13
Equity in losses of unconsolidated affiliates	(1)	(1)	(3)
Net income (loss)	150	117	(640)
Net income attributable to noncontrolling interests	75	1	99
Net income (loss) from discontinued operations	$ 75	$ 116	$ (739)

(a) Includes transaction and transition costs related to the separation of $52 million for the six months ended June 30, 2022 and $4 million and $7 million for the three and six months ended June 30, 2021, respectively. See discussion above for additional information.

There were no assets and liabilities of discontinued operations included in Exelon's Consolidated Balance Sheet as of June 30, 2022. Constellation had net assets of $11,573 million that separated on February 1, 2022 that resulted in a reduction to Exelon's equity during the six months ended June 30, 2022. Refer to the Distribution of Constellation line in Exelon's Consolidated Statement of Changes in Shareholders' Equity for further information.

The following table presents the assets and liabilities of discontinued operations in Exelon's Consolidated Balance Sheet as of December 31, 2021:

(Dollars in millions, except per share data, unless otherwise noted)

		December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	$	510
Restricted cash and cash equivalents		72
Accounts receivable		
Customer accounts receivable	1,724	
Customer allowance for credit losses	(55)	
Customer accounts receivable, net		1,669
Other accounts receivable	596	
Other allowance for credit losses	(4)	
Other accounts receivable, net		592
Mark-to-market derivative assets		2,169
Inventories, net		
Fossil fuel and emission allowances		284
Materials and supplies		1,004
Renewable energy credits		529
Assets held for sale		13
Other		993
Total current assets of discontinued operations		7,835
Property, plant, and equipment (net of accumulated depreciation and amortization of $15,888)		19,661
Deferred debits and other assets		
Nuclear decommissioning trust funds		15,938
Investments		193
Mark-to-market derivative assets		949
Other		1,768
Total property, plant, and equipment, deferred debits, and other assets of discontinued operations		38,509
Total assets of discontinued operations	$	46,344

(Dollars in millions, except per share data, unless otherwise noted)

	December 31, 2021
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities	
Short-term borrowings	$ 2,082
Long-term debt due within one year	1,220
Accounts payable	1,757
Accrued expenses	818
Mark-to-market derivative liabilities	981
Renewable energy credit obligation	779
Liabilities held for sale	3
Other	300
Total current liabilities of discontinued operations	7,940
Long-term debt	4,575
Deferred credits and other liabilities	
Deferred income taxes and unamortized investment tax credits	3,583
Asset retirement obligations	12,819
Pension obligations	939
Non-pension postretirement benefit obligations	876
Spent nuclear fuel obligation	1,210
Mark-to-market derivative liabilities	513
Other	1,161
Total long-term debt, deferred credits, and other liabilities of discontinued operations	25,676
Total liabilities of discontinued operations	$ 33,616

The following table presents selected financial information regarding cash flows of the discontinued operations that are included within Exelon's Consolidated Statements of Cash Flows for the six months ended June 30, 2022 and June 30, 2021.

	Six Months Ended June 30,	
	2022	2021
Non-cash items included in net income (loss) from discontinued operations:		
Depreciation, amortization, and accretion, including nuclear fuel and energy contract amortization	$ 207	$ 2,686
Asset impairments	—	493
Gain on sales of assets and businesses	9	(79)
Deferred income taxes and amortization of investment tax credits	(143)	(268)
Net fair value changes related to derivatives	(59)	(490)
Net realized and unrealized losses (gains) on NDT fund investments	205	(376)
Net unrealized losses (gains) on equity investments	16	(96)
Other decommissioning-related activity	36	(636)
Cash flows from investing activities:		
Capital expenditures	(227)	(731)
Collection of DPP	169	2,209
Supplemental cash flow information:		
Decrease in capital expenditures not paid	(128)	(66)
Increase in DPP	348	1,958
Increase in PP&E related to ARO update	335	—

(Dollars in millions, except per share data, unless otherwise noted)

3. Regulatory Matters (All Registrants)

As discussed in Note 3 — Regulatory Matters of the 2021 Recast Form 10-K, the Registrants are involved in rate and regulatory proceedings at FERC and their state commissions. The following discusses developments in 2022 and updates to the 2021 Recast Form 10-K.

Distribution Base Rate Case Proceedings

The following tables show the completed and pending distribution base rate case proceedings in 2022.

Completed Distribution Base Rate Case Proceedings

Registrant/Jurisdiction	Filing Date	Service	Requested Revenue Requirement Increase	Approved Revenue Requirement Increase	Approved ROE	Approval Date	Rate Effective Date
ComEd - Illinois[(a)]	April 16, 2021	Electric	$ 51	$ 46	7.36 %	December 1, 2021	January 1, 2022
PECO - Pennsylvania	March 30, 2021	Electric	246	132	N/A[(b)]	November 18, 2021	January 1, 2022
BGE - Maryland[(c)]	May 15, 2020 (amended September 11, 2020)	Electric	203	140	9.50 %	December 16, 2020	January 1, 2021
		Natural Gas	108	74	9.65 %		
Pepco - District of Columbia[(d)]	May 30, 2019 (amended June 1, 2020)	Electric	136	109	9.275 %	June 8, 2021	July 1, 2021
Pepco - Maryland[(e)]	October 26, 2020 (amended March 31, 2021)	Electric	104	52	9.55 %	June 28, 2021	June 28, 2021
DPL - Maryland[(f)]	September 1, 2021 (amended December 23, 2021)	Electric	27	13	9.60 %	March 2, 2022	March 2, 2022
ACE - New Jersey[(g)]	December 9, 2020 (amended February 26, 2021)	Electric	67	41	9.60 %	July 14, 2021	January 1, 2022

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(a) ComEd's 2022 approved revenue requirement reflects an increase of $37 million for the initial year revenue requirement for 2022 and an increase of $9 million related to the annual reconciliation for 2020. The revenue requirement for 2022 provides for a weighted average debt and equity return on distribution rate base of 5.72%, inclusive of an allowed ROE of 7.36%, reflecting the monthly average yields for 30-year treasury bonds plus 580 basis points. The reconciliation revenue requirement for 2020 provides for a weighted average debt and equity return on distribution rate base of 5.69%, inclusive of an allowed ROE of 7.29%, reflecting the monthly yields on 30-year treasury bonds plus 580 basis points less a performance metrics penalty of 7 basis points.
(b) The PECO electric base rate case proceeding was resolved through a settlement agreement, which did not specify an approved ROE.
(c) Reflects a three-year cumulative multi-year plan for 2021 through 2023. The MDPSC awarded BGE electric revenue requirement increases of $59 million, $39 million, and $42 million, before offsets, in 2021, 2022, and 2023, respectively, and natural gas revenue requirement increases of $53 million, $11 million, and $10 million, before offsets, in 2021, 2022, and 2023, respectively. BGE proposed to use certain tax benefits to fully offset the increases in 2021 and 2022 and partially offset the increase in 2023. However, the MDPSC utilized the tax benefits to fully offset the increases in 2021 and January 2022 such that customer rates remained unchanged. For the remainder of 2022, the MDPSC chose to offset only 25% of the cumulative 2021 and 2022 electric revenue requirement increases and 50% of the cumulative gas revenue requirement increases. Whether certain tax benefits will be used to offset the customer rate increases in 2023 has not been decided, and BGE cannot predict the outcome.
(d) Reflects a cumulative multi-year plan with 18-months remaining in 2021 through 2022. The DCPSC awarded Pepco electric incremental revenue requirement increases of $42 million and $67 million, before offsets, for 2021 and 2022, respectively. However, the DCPSC utilized the acceleration of refunds for certain tax benefits along with other rate relief to partially offset the customer rate increases by $22 million and $40 million for 2021 and 2022, respectively.

(Dollars in millions, except per share data, unless otherwise noted)

(e) Reflects a three-year cumulative multi-year plan for April 1, 2021 through March 31, 2024. The MDPSC awarded Pepco electric incremental revenue requirement increases of $21 million, $16 million, and $15 million, before offsets, for the 12-month periods ending March 31, 2022, 2023, and 2024, respectively. Pepco proposed to utilize certain tax benefits to fully offset the increase through 2023 and partially offset customer rate increases in 2024. However, the MDPSC only utilized the acceleration of refunds for certain tax benefits to fully offset the increases such that customer rates remain unchanged through March 31, 2022. On February 23, 2022, the MDPSC chose to offset 25% of the cumulative revenue requirement increase for the 12-month period ending March 31, 2023. Whether certain tax benefits will be used to offset the customer rate increases for the 12-month period ending March 31, 2024 has not been decided, and Pepco cannot predict the outcome.
(f) The approved settlement reflects a 9.60% ROE, which is solely for the purposes of calculating AFUDC and regulatory asset carrying costs.
(g) Requested and approved increases are before New Jersey sales and use tax. The order allows ACE to retain approximately $11 million of certain tax benefits which resulted in a decrease to income tax expense in Exelon's, PHI's, and ACE's Consolidated Statements of Operations and Comprehensive Income in the third quarter of 2021.

Pending Distribution Base Rate Case Proceedings

Registrant/Jurisdiction	Filing Date	Service	Requested Revenue Requirement Increase	Requested ROE	Expected Approval Timing
ComEd - Illinois[(a)]	April 15, 2022	Electric	$ 199	7.85 %	Fourth quarter of 2022
PECO - Pennsylvania	March 31, 2022	Natural Gas	82	10.95 %	Fourth quarter of 2022
DPL - Delaware[(b)]	January 14, 2022 (amended February 28, 2022)	Natural Gas	15	10.30 %	First quarter of 2023
DPL - Maryland[(c)]	May 19, 2022	Electric	38	10.25 %	Fourth quarter of 2022

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(a) ComEd's 2023 requested revenue requirement reflects an increase of $144 million for the initial year revenue requirement for 2023 and an increase of $55 million related to the annual reconciliation for 2021. The revenue requirement for 2023 provides for a weighted average debt and equity return on distribution rate base of 5.94%, inclusive of an allowed ROE of 7.85%, reflecting the average monthly yields for 30-year treasury bonds plus 580 basis points. The reconciliation revenue requirement for 2021 provides for a weighted average debt and equity return on distribution rate base of 5.91%, inclusive of an allowed ROE of 7.78%, reflecting the average monthly yields for 30-year treasury bonds plus 580 basis points less a performance metrics penalty of 7 basis points. This is ComEd's last performance-based electric distribution formula rate update filing under EIMA as a result of the law authorizing the rate setting process sunsetting at the end of 2022. See Note 3 - Regulatory Matters of the 2021 Recast Form 10-K for additional information on ComEd's transition away from the electric distribution formula rate.
(b) The rates will go into effect on August 14, 2022, subject to refund.
(c) Reflects a three-year cumulative multi-year plan for January 1, 2023 to December 31, 2025 and total requested revenue requirement increases, before offsets, of $23 million effective January 1, 2023, $8 million effective January 1, 2024, and $7 million effective January 1, 2025, to recover capital investments made in 2021 and planned capital investments through the end of 2025. DPL is proposing the acceleration of refunds for certain tax benefits to partially offset the customer rate increases by $12 million and $8 million in 2023 and 2024, respectively.

Transmission Formula Rates

The Utility Registrants' transmission rates are each established based on a FERC-approved formula. ComEd, BGE, Pepco, DPL, and ACE are required to file an annual update to the FERC-approved formula on or before May 15, and PECO is required to file on or before May 31, with the resulting rates effective on June 1 of the same year. The annual update for ComEd is based on prior year actual costs and current year projected capital additions (initial year revenue requirement). The update for ComEd also reconciles any differences between the revenue requirement in effect beginning June 1 of the prior year and actual costs incurred for that year (annual reconciliation). The annual update for PECO is based on prior year actual costs and current year projected capital additions, accumulated depreciation, and accumulated deferred income taxes. The annual update for BGE, Pepco, DPL, and ACE is based on prior year actual costs and current year projected capital additions, accumulated depreciation, depreciation and amortization expense, and accumulated deferred income taxes. The update for PECO, BGE, Pepco, DPL, and ACE also reconciles any differences between the actual costs and actual revenues for the calendar year (annual reconciliation).

(Dollars in millions, except per share data, unless otherwise noted)

For 2022, the following total increases/(decreases) were included in the Utility Registrants' electric transmission formula rate update:

Registrant[(a)]	Initial Revenue Requirement Increase	Annual Reconciliation (Decrease) Increase	Total Revenue Requirement Increase	Allowed Return on Rate Base[(b)]	Allowed ROE[(c)]
ComEd	$ 24	$ (24)	$ —	8.11 %	11.50 %
PECO	23	16	39	7.30 %	10.35 %
BGE	25	(4)	16 [(d)]	7.30 %	10.50 %
Pepco	16	15	31	7.60 %	10.50 %
DPL	9	2	11	7.09 %	10.50 %
ACE	21	13	34	7.18 %	10.50 %

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(a) All rates are effective June 1, 2022 - May 31, 2023, subject to review by interested parties pursuant to review protocols of each Utility Registrants' tariff.
(b) Represents the weighted average debt and equity return on transmission rate bases. For ComEd and PECO, the common equity component of the ratio used to calculate the weighted average debt and equity return on the transmission formula rate base is currently capped at 55% and 55.75%, respectively.
(c) The rate of return on common equity for each Utility Registrant includes a 50-basis-point incentive adder for being a member of a RTO.
(d) The increase in BGE's transmission revenue requirement includes a $5 million reduction related to a FERC-approved dedicated facilities charge to recover the costs of providing transmission service to specifically designated load by BGE.

Other State Regulatory Matters

Illinois Regulatory Matters

CEJA (Exelon and ComEd). On September 15, 2021, the Governor of Illinois signed into law CEJA. CEJA includes, among other features, (1) procurement of CMCs from qualifying nuclear-powered generating facilities, (2) a requirement to file a general rate case or a new four-year multi-year plan no later than January 20, 2023 to establish rates effective after ComEd's existing performance-based distribution formula rate sunsets, (3) an extension of and certain adjustments to ComEd's energy efficiency MWh savings goals, (4) revisions to the Illinois RPS requirements, including expanded charges for the procurement of RECs from wind and solar generation, (5) a requirement to accelerate amortization of ComEd's unprotected excess deferred income taxes ("EDIT") that ComEd was previously directed by the ICC to amortize using the average rate assumption method which equates to approximately 39.5 years, and (6) requirements that ComEd and the ICC initiate and conduct various regulatory proceedings on subjects including ethics, spending, grid investments, and performance metrics. Regulatory or legal challenges regarding the validity or implementation of CEJA are possible and Exelon and ComEd cannot reasonably predict the outcome of any such challenges.

Carbon Mitigation Credit

CEJA establishes decarbonization requirements for Illinois as well as programs to support the retention and development of emissions-free sources of electricity. ComEd is required to purchase CMCs between June 1, 2022 and May 31, 2027 and all its costs of doing so will be recovered through a new rider. The price to be paid for each CMC was established through a competitive bidding process that included consumer-protection measures that capped the maximum acceptable bid amount and a formula that reduces CMC prices by an energy price index, the base residual auction capacity price in the ComEd zone of PJM, and the monetized value of any federal tax credit or other subsidy if applicable. The consumer protection measures contained in CEJA will result in net payments to ComEd ratepayers if the energy index, the capacity price and applicable federal tax credits or subsidy exceed the CMC contract price. ComEd began issuing credits to its retail customers under its new CMC rider in the June 2022 billing period and recorded a regulatory asset of $255 million as of June 30, 2022 for the difference between customer credits issued and the credit to be received from the participating nuclear plants.

(Dollars in millions, except per share data, unless otherwise noted)

Excess Deferred Income Taxes

The ICC initiated a docket to accelerate and fully credit to customers TCJA unprotected property-related EDIT no later than December 31, 2025. On July 7, 2022, the ICC issued a final order on the schedule for the acceleration of EDIT amortization, adopting the proposal as submitted by several parties, including ComEd, ICC Staff, the Illinois Attorney General's Office, and the Citizens Utility Board. EDIT amortization will be credited to customers through a new rider from January 1, 2023 through December 31, 2025.

Beneficial Electrification Plan

On July 1, 2022, ComEd filed a proposed plan to promote beneficial electrification efforts in its Northern Illinois service area with the ICC as required by CEJA. ComEd's plan is designed to meaningfully reduce barriers to beneficial electrification, including those related to electric vehicles, such as upfront technology adoption costs, charging costs, and charging availability; promote equity and environmental justice; reduce carbon emissions and surface-level pollutants; and support customer education and awareness of electrification options. As proposed, ComEd could expend approximately $300 million over the three-year period 2023 through 2025. The beneficial electrification plan requests recovery of all those costs through a rider mechanism, under which certain of the costs would be amortized over ten years with a return on the unrecovered balance. An order is expected to be issued by the ICC no later than the first quarter of 2023. At this time, ComEd cannot predict the outcome of these proceedings.

See Note 3 — Regulatory Matters of the 2021 Recast Form 10-K for additional information on CEJA (referred to as Clean Energy Law).

Energy Efficiency Formula Rate (Exelon and ComEd). ComEd filed its annual energy efficiency formula rate update with the ICC on May 25, 2022. The filing establishes the revenue requirement used to set the rates that will take effect in January 2023 after the ICC's review and approval. The requested revenue requirement update is based on a reconciliation of the 2021 actual costs plus projected 2023 expenditures.

Initial Revenue Requirement Increase	Annual Reconciliation Decrease	Total Revenue Requirement Increase	Requested Return on Rate Base[(a)]	Requested ROE
$ 66	$ (16)	$ 50	5.94 %	7.85 %

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(a) The requested revenue requirement increase provides for a weighted average debt and equity return on the energy efficiency regulatory asset and rate base of 5.94% inclusive of an allowed ROE of 7.85%, reflecting the monthly average yields for 30-year treasury bonds plus 580 basis points. For the 2021 reconciliation year, the requested revenue requirement provides for a weighted average debt and equity return on the energy efficiency regulatory asset and rate base of 5.52% inclusive of an allowed ROE of 6.99%, which includes a downward performance adjustment that decreased the ROE. The performance adjustment can either increase or decrease the ROE based upon the achievement of energy efficiency savings goals.

New Jersey Regulatory Matters

Termination of Energy Procurement Provisions of PPAs (Exelon, PHI, and ACE).

On December 22, 2021, ACE filed with the NJBPU a petition to terminate the provisions in the PPAs to purchase electricity from two coal-powered generation facilities located in the state of New Jersey. The petition was approved by the NJBPU on March 23, 2022. Upon closing of the transaction on March 31, 2022, ACE recognized a liability of $203 million for the contract termination fee, which is to be paid by the end of 2024, and recognized a corresponding regulatory asset of $203 million.

As of June 30, 2022, the $180 million liability for the contract termination fee consists of $87 million and $93 million included in Other current liabilities and Other deferred credits and other liabilities, respectively, in Exelon's Consolidated Balance Sheet. The current and noncurrent liability is included in PPA termination obligation and Other deferred credits and other liabilities, respectively, in PHI's and ACE's Consolidated Balance Sheets. For the six months ended June 30, 2022, ACE has paid $23 million of the liability, which is recorded in Changes in Other assets and liabilities in Exelon's, PHI's, and ACE's Consolidated Statements of Cash Flows.

(Dollars in millions, except per share data, unless otherwise noted)

Regulatory Assets and Liabilities

The Utility Registrants' regulatory assets and liabilities have not changed materially since December 31, 2021, unless noted below. See Note 3 — Regulatory Matters of the 2021 Recast Form 10-K for additional information on the specific regulatory assets and liabilities.

ComEd. Regulatory assets increased $254 million primarily due to an increase of $255 million in the CMC regulatory asset, as discussed in CEJA above, $89 million in the Electric Distribution Formula Rate Annual Reconciliations regulatory asset, and $29 million in the Energy Efficiency Costs regulatory asset partially offset by a decrease of $116 million in the Renewable Energy regulatory asset. Regulatory liabilities decreased $617 million primarily due to a decrease of $788 million in the Decommissioning the Regulatory Agreement Units regulatory liability and $45 million in the Deferred Income Taxes regulatory liability partially offset by an increase of $162 million in the Renewable Portfolio Standards Costs regulatory liability and $33 million in the Removal Costs regulatory liability.

PECO. Regulatory assets increased $103 million primarily due to an increase of $99 million in the Deferred Income Taxes regulatory asset. Regulatory liabilities decreased $325 million primarily due to a decrease of $305 million in the Decommissioning the Regulatory Agreement Units regulatory liability and $12 million in the Electric Energy and Natural Gas Costs regulatory liability.

BGE. Regulatory assets decreased $49 million primarily due to a decrease of $20 million in the Under-recovered revenue decoupling regulatory asset, $14 million in the Electric Energy and Natural Gas Costs regulatory asset, and $13 million in the Energy Efficiency and Demand Response Programs regulatory asset.

Pepco. Regulatory assets decreased $47 million primarily due to a decrease of $20 million in the Under-recovered revenue decoupling regulatory asset, $17 million in the DC PLUG Charge regulatory asset, and $10 million in the Energy Efficiency and Demand Response Programs regulatory asset. Regulatory liabilities decreased $44 million primarily due to a decrease of $46 million in the Deferred Income Taxes regulatory liability.

ACE. Regulatory assets increased $179 million primarily due to an increase in the Electric Energy Costs regulatory asset as a result of the PPA termination. Regulatory liabilities decreased $16 million primarily due to a decrease of $13 million in the Deferred Income Taxes regulatory liability.

Capitalized Ratemaking Amounts Not Recognized

The following table presents authorized amounts capitalized for ratemaking purposes related to earnings on shareholders' investment that are not recognized for financial reporting purposes in the Registrants' Consolidated Balance Sheets. These amounts will be recognized as revenues in the related Consolidated Statements of Operations and Comprehensive Income in the periods they are billable to the Utility Registrants' customers.

	Exelon	ComEd[(a)]	PECO	BGE[(b)]	PHI	Pepco[(c)]	DPL[(c)]	ACE
June 30, 2022	$ 49	$ 4	$ —	$ 32	$ 13	$ 11	$ 2	$ —
December 31, 2021	43	1	—	37	5	3	2	—

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(a) Reflects ComEd's unrecognized equity returns earned for ratemaking purposes on its energy efficiency and electric distribution formula rate regulatory assets.
(b) BGE's authorized amounts capitalized for ratemaking purposes primarily relate to earnings on shareholder's investment on its AMI programs.
(c) Pepco's and DPL's authorized amounts capitalized for ratemaking purposes relate to earnings on shareholder's investment on their respective AMI Programs and Energy Efficiency and Demand Response Programs, and for Pepco District of Columbia revenue decoupling program. The earnings on energy efficiency are on Pepco District of Columbia and DPL Delaware programs only.

(Dollars in millions, except per share data, unless otherwise noted)

4. Revenue from Contracts with Customers (All Registrants)

The Registrants recognize revenue from contracts with customers to depict the transfer of goods or services to customers at an amount that the entities expect to be entitled to in exchange for those goods or services. The primary sources of revenue include regulated electric and gas tariff sales, distribution, and transmission services.

See Note 4 — Revenue from Contracts with Customers of the 2021 Recast Form 10-K for additional information regarding the primary sources of revenue for the Registrants.

Contract Liabilities

The Registrants record contract liabilities when consideration is received or due prior to the satisfaction of the performance obligations. The Registrants record contract liabilities in Other current liabilities and Other noncurrent liabilities in their Consolidated Balance Sheets.

For PHI, Pepco, DPL, and ACE these contract liabilities primarily relate to upfront consideration received in the third quarter of 2020 for a collaborative arrangement with an unrelated owner and manager of communication infrastructure. The revenue attributable to this arrangement will be recognized as operating revenue over the 35 years under the collaborative arrangement.

The following table provides a rollforward of the contract liabilities reflected in Exelon's, PHI's, Pepco's, DPL's, and ACE's Consolidated Balance Sheets for the three and six months ended June 30, 2022 and 2021. As of June 30, 2022 and December 31, 2021, ComEd's, PECO's, and BGE's contract liabilities were immaterial.

	Exelon[(a)]	PHI[(a)]	Pepco[(a)]	DPL	ACE[(a)]
Balance as of December 31, 2021	$ 109	$ 109	$ 87	$ 11	$ 11
Revenues recognized	(2)	(2)	(2)	—	—
Balance as of March 31, 2022	107	107	85	11	11
Revenues recognized	(2)	(2)	(1)	—	(1)
Balance as of June 30, 2022	$ 105	$ 105	$ 84	$ 11	$ 10

	Exelon[(a)]	PHI[(a)]	Pepco[(a)]	DPL[(a)]	ACE[(a)]
Balance as of December 31, 2020	$ 118	$ 118	$ 94	$ 12	$ 12
Revenues recognized	(2)	(2)	(2)	—	—
Balance as of March 31, 2021	116	116	92	12	12
Revenues recognized	(3)	(3)	(1)	(1)	(1)
Balance as of June 30, 2021	$ 113	$ 113	$ 91	$ 11	$ 11

(a) Revenues recognized in the three and six months ended June 30, 2022 and 2021, were included in the contract liabilities at December 31, 2021 and 2020, respectively.

Transaction Price Allocated to Remaining Performance Obligations

The following table shows the amounts of future revenues expected to be recorded in each year for performance obligations that are unsatisfied or partially unsatisfied as of June 30, 2022. This disclosure only includes contracts for which the total consideration is fixed and determinable at contract inception. The average contract term varies by customer type and commodity but ranges from one month to several years.

This disclosure excludes the Utility Registrants' gas and electric tariff sales contracts and transmission revenue contracts as they generally have an original expected duration of one year or less and, therefore, do not contain any future, unsatisfied performance obligations to be included in this disclosure.

(Dollars in millions, except per share data, unless otherwise noted)

	2022	2023	2024	2025	2026 and thereafter	Total
Exelon	$ 4	$ 8	$ 6	$ 5	$ 82	$ 105
PHI	4	8	6	5	82	105
Pepco	3	6	5	5	65	84
DPL	1	1	—	—	9	11
ACE	—	1	1	—	8	10

Revenue Disaggregation

The Registrants disaggregate revenue recognized from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. See Note 5 — Segment Information for the presentation of the Registrant's revenue disaggregation.

5. Segment Information (All Registrants)

Operating segments for each of the Registrants are determined based on information used by the CODMs in deciding how to evaluate performance and allocate resources at each of the Registrants.

Exelon has six reportable segments, which include ComEd, PECO, BGE, and PHI's three reportable segments consisting of Pepco, DPL, and ACE. ComEd, PECO, BGE, Pepco, DPL, and ACE each represent a single reportable segment, and as such, no separate segment information is provided for these Registrants. Exelon, ComEd, PECO, BGE, Pepco, DPL, and ACE's CODMs evaluate the performance of and allocate resources to ComEd, PECO, BGE, Pepco, DPL, and ACE based on net income.

An analysis and reconciliation of the Registrants' reportable segment information to the respective information in the consolidated financial statements for the three and six months ended June 30, 2022 and 2021 is as follows:

(Dollars in millions, except per share data, unless otherwise noted)

Three Months Ended June 30, 2022 and 2021

	ComEd	PECO	BGE	PHI	Other[(a)]	Intersegment Eliminations	Exelon
Operating revenues[(b)]:							
2022							
Electric revenues	$ 1,425	$ 708	$ 629	$ 1,182	$ —	$ (6)	$ 3,938
Natural gas revenues	—	108	157	37	—	(1)	301
Shared service and other revenues	—	—	—	2	384	(386)	—
Total operating revenues	$ 1,425	$ 816	$ 786	$ 1,221	$ 384	$ (393)	$ 4,239
2021							
Electric revenues	$ 1,517	$ 610	$ 558	$ 1,113	$ —	$ (9)	$ 3,789
Natural gas revenues	—	83	124	24	—	—	231
Shared service and other revenues	—	—	—	3	524	(527)	—
Total operating revenues	$ 1,517	$ 693	$ 682	$ 1,140	$ 524	$ (536)	$ 4,020
Intersegment revenues[(c)]:							
2022	$ 3	$ 1	$ 3	$ 2	$ 384	$ (393)	$ —
2021	5	2	7	4	522	(535)	5
Depreciation and amortization:							
2022	$ 328	$ 93	$ 152	$ 240	$ 16	$ 1	$ 830
2021	296	87	141	194	18	—	736
Operating expenses:							
2022	$ 1,039	$ 639	$ 717	$ 1,066	$ 460	$ (378)	$ 3,543
2021	1,196	552	620	955	495	(374)	3,444
Interest expense, net:							
2022	$ 104	$ 43	$ 36	$ 73	$ 101	$ 1	$ 358
2021	98	42	34	67	83	—	324
Income (loss) from continuing operations before income taxes:							
2022	$ 293	$ 142	$ 38	$ 101	$ (62)	$ (1)	$ 511
2021	238	106	37	138	(46)	(144)	329
Income Taxes:							
2022	$ 66	$ 9	$ 1	$ 1	$ (31)	$ —	$ 46
2021	46	2	(8)	(3)	(27)	(7)	3
Net income (loss) from continuing operations:							
2022	$ 227	$ 133	$ 37	$ 100	$ (31)	$ (1)	$ 465
2021	192	104	45	141	(19)	(137)	326
Capital Expenditures:							
2022	$ 591	$ 314	$ 275	$ 367	$ 38	$ —	$ 1,585
2021	549	282	284	433	15	—	1,563

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(a) Other primarily includes Exelon's corporate operations, shared service entities, and other financing and investment activities.
(b) Includes gross utility tax receipts from customers. The offsetting remittance of utility taxes to the governing bodies is recorded in expenses in the Registrants' Consolidated Statements of Operations and Comprehensive Income. See Note 14 — Supplemental Financial Information for additional information on total utility taxes.
(c) See Note 15 — Related Party Transactions for additional information on intersegment revenues.

(Dollars in millions, except per share data, unless otherwise noted)

PHI:

	Pepco	DPL	ACE	Other[(a)]	Intersegment Eliminations	PHI
Operating revenues[(b)]:						
2022						
Electric revenues	$ 581	$ 295	$ 309	$ —	$ (3)	$ 1,182
Natural gas revenues	—	37	—	—	—	37
Shared service and other revenues	—	—	—	98	(96)	2
Total operating revenues	$ 581	$ 332	$ 309	$ 98	$ (99)	$ 1,221
2021						
Electric revenues	$ 523	$ 274	$ 319	$ —	$ (3)	$ 1,113
Natural gas revenues	—	24	—	—	—	24
Shared service and other revenues	—	—	—	95	(92)	3
Total operating revenues	$ 523	$ 298	$ 319	$ 95	$ (95)	$ 1,140
Intersegment revenues[(c)]:						
2022	$ 2	$ 2	$ 1	$ 98	$ (101)	$ 2
2021	1	2	1	95	(95)	4
Depreciation and amortization:						
2022	$ 105	$ 56	$ 72	$ 7	$ —	$ 240
2021	96	51	40	7	—	194
Operating expenses:						
2022	$ 487	$ 296	$ 283	$ 99	$ (99)	$ 1,066
2021	429	255	269	97	(95)	955
Interest expense, net:						
2022	$ 38	$ 17	$ 17	$ 1	$ —	$ 73
2021	35	16	14	2	—	67
Income (loss) before income taxes:						
2022	$ 69	$ 23	$ 11	$ (2)	$ —	$ 101
2021	72	31	36	(1)	—	138
Income Taxes:						
2022	$ (1)	$ 2	$ —	$ —	$ —	$ 1
2021	(3)	1	(1)	—	—	(3)
Net income (loss):						
2022	$ 70	$ 21	$ 11	$ (2)	$ —	$ 100
2021	75	30	37	(1)	—	141
Capital Expenditures:						
2022	$ 184	$ 91	$ 92	$ —	$ —	$ 367
2021	219	99	116	(1)	—	433

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(a) Other primarily includes PHI's corporate operations, shared service entities, and other financing and investment activities.
(b) Includes gross utility tax receipts from customers. The offsetting remittance of utility taxes to the governing bodies is recorded in expenses in the Registrants' Consolidated Statements of Operations and Comprehensive Income. See Note 14 — Supplemental Financial Information for additional information on total utility taxes.
(c) Includes intersegment revenues with ComEd, BGE, and PECO, which are eliminated at Exelon.

The following tables disaggregate the Registrants' revenues recognized from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. For the Utility Registrants, the disaggregation of revenues reflects the two primary utility services of electric sales and natural gas sales (where applicable), with further disaggregation of these tariff sales provided by major customer groups. Exelon's disaggregated revenues are consistent with the Utility Registrants, but exclude any intercompany revenues.

(Dollars in millions, except per share data, unless otherwise noted)

	Three Months Ended June 30, 2022						
Revenues from contracts with customers	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Electric revenues							
Residential	$ 819	$ 431	$ 334	$ 548	$ 234	$ 155	$ 159
Small commercial & industrial	312	126	70	140	35	51	54
Large commercial & industrial	11	72	129	332	250	30	52
Public authorities & electric railroads	5	7	7	15	8	3	4
Other[a]	234	68	99	164	54	57	55
Total electric revenues[b]	$ 1,381	$ 704	$ 639	$ 1,199	$ 581	$ 296	$ 324
Natural gas revenues							
Residential	$ —	$ 71	$ 96	$ 17	$ —	$ 17	$ —
Small commercial & industrial	—	29	18	8	—	8	—
Large commercial & industrial	—	—	35	3	—	3	—
Transportation	—	6	—	3	—	3	—
Other[c]	—	2	12	6	—	6	—
Total Natural gas revenues[d]	$ —	$ 108	$ 161	$ 37	$ —	$ 37	$ —
Total revenues from contracts with customers	$ 1,381	$ 812	$ 800	$ 1,236	$ 581	$ 333	$ 324
Other revenues							
Revenues from alternative revenue programs	$ 35	$ —	$ (20)	$ (17)	$ (1)	$ (2)	$ (15)
Other electric revenues[e]	9	4	4	2	1	1	—
Other natural gas revenues[e]	—	—	2	—	—	—	—
Total other revenues	$ 44	$ 4	$ (14)	$ (15)	$ —	$ (1)	$ (15)
Total revenues for reportable segments	$ 1,425	$ 816	$ 786	$ 1,221	$ 581	$ 332	$ 309

(Dollars in millions, except per share data, unless otherwise noted)

	Three Months Ended June 30, 2021						
Revenues from contracts with customers	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Electric revenues							
Residential	$ 759	$ 383	$ 299	$ 537	$ 223	$ 147	$ 167
Small commercial & industrial	377	99	60	124	32	46	46
Large commercial & industrial	138	59	108	257	188	22	47
Public authorities & electric railroads	11	8	7	17	10	3	4
Other[(a)]	214	54	87	139	50	46	43
Total electric revenues[(b)]	$ 1,499	$ 603	$ 561	$ 1,074	$ 503	$ 264	$ 307
Natural gas revenues							
Residential	$ —	$ 55	$ 81	$ 12	$ —	$ 12	$ —
Small commercial & industrial	—	22	13	6	—	6	—
Large commercial & industrial	—	—	27	1	—	1	—
Transportation	—	5	—	3	—	3	—
Other[(c)]	—	1	6	2	—	2	—
Total natural gas revenues[(d)]	$ —	$ 83	$ 127	$ 24	$ —	$ 24	$ —
Total revenues from contracts with customers	$ 1,499	$ 686	$ 688	$ 1,098	$ 503	$ 288	$ 307
Other revenues							
Revenues from alternative revenue programs	$ 9	$ 7	$ (10)	$ 41	$ 19	$ 10	$ 12
Other electric revenues[(e)]	9	—	3	1	1	—	—
Other natural gas revenues[(e)]	—	—	1	—	—	—	—
Total other revenues	$ 18	$ 7	$ (6)	$ 42	$ 20	$ 10	$ 12
Total revenues for reportable segments	$ 1,517	$ 693	$ 682	$ 1,140	$ 523	$ 298	$ 319

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(a) Includes revenues from transmission revenue from PJM, wholesale electric revenue and mutual assistance revenue.
(b) Includes operating revenues from affiliates in 2022 and 2021 respectively of:
- $3 million, $5 million at ComEd
- $1 million, $1 million at PECO
- $2 million, $4 million at BGE
- $2 million, $4 million at PHI
- $2 million, $1 million at Pepco
- $2 million, $2 million at DPL
- $1 million, $1 million at ACE

(c) Includes revenues from off-system natural gas sales.
(d) Includes operating revenues from affiliates in 2022 and 2021 respectively of:
- less than $1 million, less than $1 million at PECO
- $1 million, $3 million at BGE

(e) Includes late payment charge revenues.

(Dollars in millions, except per share data, unless otherwise noted)

Six Months Ended June 30, 2022 and 2021

	ComEd	PECO	BGE	PHI	Other[a]	Intersegment Eliminations	Exelon
Operating revenues[b]:							
2022							
Electric revenues	$ 3,158	$ 1,449	$ 1,366	$ 2,501	$ —	$ (14)	$ 8,460
Natural gas revenues	—	414	574	120	—	(2)	1,106
Shared service and other revenues	—	—	—	5	961	(966)	—
Total operating revenues	$ 3,158	$ 1,863	$ 1,940	$ 2,626	$ 961	$ (982)	$ 9,566
2021							
Electric revenues	$ 3,052	$ 1,271	$ 1,190	$ 2,283	$ —	$ (16)	$ 7,780
Natural gas revenues	—	311	466	95	—	—	872
Shared service and other revenues	—	—	—	6	1,013	(1,019)	—
Total operating revenues	$ 3,052	$ 1,582	$ 1,656	$ 2,384	$ 1,013	$ (1,035)	$ 8,652
Intersegment revenues[c]:							
2022	$ 8	$ 2	$ 10	$ 6	$ 961	$ (981)	$ 6
2021	11	4	13	7	1,010	(1,033)	12
Depreciation and amortization:							
2022	$ 649	$ 185	$ 322	$ 459	$ 32	$ —	$ 1,647
2021	589	173	293	404	35	—	1,494
Operating expenses:							
2022	$ 2,444	$ 1,432	$ 1,636	$ 2,282	$ 1,086	$ (909)	$ 7,971
2021	2,406	1,231	1,372	2,013	943	(713)	7,252
Interest expense, net:							
2022	$ 204	$ 84	$ 71	$ 143	$ 195	$ —	$ 697
2021	193	80	67	134	169	—	643
Income (loss) from continuing operations before income taxes:							
2022	$ 534	$ 363	$ 244	$ 238	$ (125)	$ (45)	$ 1,209
2021	475	283	233	273	(80)	(292)	892
Income Taxes:							
2022	$ 119	$ 24	$ 10	$ 8	$ 114	$ (12)	$ 263
2021	85	12	(21)	5	(19)	(20)	42
Net income (loss) from continuing operations:							
2022	$ 415	$ 339	$ 234	$ 230	$ (239)	$ (33)	$ 946
2021	390	271	254	269	(61)	(272)	851
Capital Expenditures:							
2022	$ 1,208	$ 658	$ 578	$ 776	$ 60	$ —	$ 3,280
2021	1,162	577	620	889	61	—	3,309
Total assets:							
June 30, 2022	$ 37,194	$ 14,216	$ 13,093	$ 25,592	$ 6,345	$ (4,145)	$ 92,295
December 31, 2021	36,470	13,824	12,324	24,744	7,626	(8,319)	86,669

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(a) Other primarily includes Exelon's corporate operations, shared service entities, and other financing and investment activities.
(b) Includes gross utility tax receipts from customers. The offsetting remittance of utility taxes to the governing bodies is recorded in expenses in the Registrants' Consolidated Statements of Operations and Comprehensive Income. See Note 14 — Supplemental Financial Information for additional information on total utility taxes.

(Dollars in millions, except per share data, unless otherwise noted)

(c) See Note 15 — Related Party Transactions for additional information on intersegment revenues.

PHI:

	Pepco	DPL	ACE	Other[a]	Intersegment Eliminations	PHI
Operating revenues[b]:						
2022						
Electric revenues	$ 1,195	$ 643	$ 658	$ —	$ 5	$ 2,501
Natural gas revenues	—	120	—	—	—	120
Shared service and other revenues	—	—	—	205	(200)	5
Total operating revenues	$ 1,195	$ 763	$ 658	$ 205	$ (195)	$ 2,626
2021						
Electric revenues	$ 1,076	$ 585	$ 629	$ —	$ (7)	$ 2,283
Natural gas revenues	—	95	—	—	—	95
Shared service and other revenues	—	—	—	189	(183)	6
Total operating revenues	$ 1,076	$ 680	$ 629	$ 189	$ (190)	$ 2,384
Intersegment revenues[c]:						
2022	$ 2	$ 3	$ 2	$ 195	$ (196)	$ 6
2021	3	4	1	189	(190)	7
Depreciation and amortization:						
2022	$ 213	$ 113	$ 118	$ 15	$ —	$ 459
2021	199	104	87	14	—	404
Operating expenses:						
2022	$ 1,034	$ 653	$ 593	$ 197	$ (195)	$ 2,282
2021	895	564	552	192	(190)	2,013
Interest expense, net:						
2022	$ 74	$ 33	$ 32	$ 5	$ (1)	$ 143
2021	69	30	29	6	—	134
Income (loss) before income taxes:						
2022	$ 113	$ 83	$ 38	$ 4	$ —	$ 238
2021	137	92	50	(6)	—	273
Income Taxes:						
2022	$ (3)	$ 6	$ 1	$ 4	$ —	$ 8
2021	3	6	(1)	(3)	—	5
Net income (loss):						
2022	$ 116	$ 77	$ 37	$ —	$ —	$ 230
2021	134	86	51	(2)	—	269
Capital Expenditures:						
2022	$ 402	$ 194	$ 179	$ 1	$ —	$ 776
2021	439	211	239	—	—	889
Total assets:						
June 30, 2022	$ 10,226	$ 5,742	$ 5,052	$ 4,775	$ (203)	$ 25,592
December 31, 2021	9,903	5,412	4,556	4,933	(60)	24,744

(a) Other primarily includes PHI's corporate operations, shared service entities, and other financing and investment activities.
(b) Includes gross utility tax receipts from customers. The offsetting remittance of utility taxes to the governing bodies is recorded in expenses in the Registrants' Consolidated Statements of Operations and Comprehensive Income. See Note 14 — Supplemental Financial Information for additional information on total utility taxes.
(c) Includes intersegment revenues with ComEd, BGE, and PECO, which are eliminated at Exelon.

(Dollars in millions, except per share data, unless otherwise noted)

The following tables disaggregate the Registrants' revenues recognized from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. For the Utility Registrants, the disaggregation of revenues reflects the two primary utility services of electric sales and natural gas sales (where applicable), with further disaggregation of these tariff sales provided by major customer groups. Exelon's disaggregated revenues are consistent with the Utility Registrants, but exclude any intercompany revenues.

	Six Months Ended June 30, 2022						
Revenues from contracts with customers	**ComEd**	**PECO**	**BGE**	**PHI**	**Pepco**	**DPL**	**ACE**
Electric revenues							
Residential	$ 1,675	$ 918	$ 752	$ 1,200	$ 509	$ 362	$ 329
Small commercial & industrial	736	237	151	281	73	107	101
Large commercial & industrial	165	136	260	655	503	56	96
Public authorities & electric railroads	20	15	14	31	16	7	8
Other[(a)]	472	130	196	359	100	113	136
Total electric revenues[(b)]	$ 3,068	$ 1,436	$ 1,373	$ 2,526	$ 1,201	$ 645	$ 670
Natural gas revenues							
Residential	$ —	$ 289	$ 378	$ 68	$ —	$ 68	$ —
Small commercial & industrial	—	105	63	29	—	29	—
Large commercial & industrial	—	—	100	6	—	6	—
Transportation	—	14	—	7	—	7	—
Other[(c)]	—	5	47	10	—	10	—
Total natural gas revenues[(d)]	$ —	$ 413	$ 588	$ 120	$ —	$ 120	$ —
Total revenues from contracts with customers	$ 3,068	$ 1,849	$ 1,961	$ 2,646	$ 1,201	$ 765	$ 670
Other revenues							
Revenues from alternative revenue programs	$ 75	$ 6	$ (32)	$ (22)	$ (7)	$ (3)	$ (12)
Other electric revenues[(e)]	15	7	8	2	1	1	—
Other natural gas revenues[(e)]	—	1	3	—	—	—	—
Total other revenues	$ 90	$ 14	$ (21)	$ (20)	$ (6)	$ (2)	$ (12)
Total revenues for reportable segments	$ 3,158	$ 1,863	$ 1,940	$ 2,626	$ 1,195	$ 763	$ 658

(Dollars in millions, except per share data, unless otherwise noted)

	Six Months Ended June 30, 2021						
Revenues from contracts with customers	**ComEd**	**PECO**	**BGE**	**PHI**	**Pepco**	**DPL**	**ACE**
Electric revenues							
Residential	$ 1,502	$ 816	$ 662	$ 1,142	$ 476	$ 337	$ 329
Small commercial & industrial	744	199	129	242	65	92	85
Large commercial & industrial	271	116	213	505	372	43	90
Public authorities & electric railroads	22	17	13	30	16	7	7
Other[(a)]	433	106	165	283	101	87	95
Total electric revenues[(b)]	$ 2,972	$ 1,254	$ 1,182	$ 2,202	$ 1,030	$ 566	$ 606
Natural gas revenues							
Residential	$ —	$ 215	$ 297	$ 57	$ —	$ 57	$ —
Small commercial & industrial	—	81	48	24	—	24	—
Large commercial & industrial	—	—	81	3	—	3	—
Transportation	—	12	—	8	—	8	—
Other[(c)]	—	3	36	2	—	3	—
Total natural gas revenues[(d)]	$ —	$ 311	$ 462	$ 94	$ —	$ 95	$ —
Total revenues from contracts with customers	$ 2,972	$ 1,565	$ 1,644	$ 2,296	$ 1,030	$ 661	$ 606
Other revenues							
Revenues from alternative revenue programs	$ 64	$ 17	$ 8	$ 88	$ 46	$ 19	$ 23
Other electric revenues[(e)]	16	—	3	—	—	—	—
Other natural gas revenues[(e)]	—	—	1	—	—	—	—
Total other revenues	$ 80	$ 17	$ 12	$ 88	$ 46	$ 19	$ 23
Total revenues for reportable segments	$ 3,052	$ 1,582	$ 1,656	$ 2,384	$ 1,076	$ 680	$ 629

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(a) Includes revenues from transmission revenue from PJM, wholesale electric revenue and mutual assistance revenue.
(b) Includes operating revenues from affiliates in 2022 and 2021 respectively of:
- $8 million, $11 million at ComEd
- $2 million, $3 million at PECO
- $3 million, $5 million at BGE
- $6 million, $7 million at PHI
- $2 million, $3 million at Pepco
- $3 million, $4 million at DPL
- $2 million, $1 million at ACE

(c) Includes revenues from off-system natural gas sales.
(d) Includes operating revenues from affiliates in 2022 and 2021 respectively of:
- less than $1 million, $1 million at PECO
- $7 million, $7 million at BGE

(e) Includes late payment charge revenues.

(Dollars in millions, except per share data, unless otherwise noted)

6. Accounts Receivable (All Registrants)

Allowance for Credit Losses on Accounts Receivable

The following tables present the rollforward of Allowance for Credit Losses on Customer Accounts Receivable.

	Three Months Ended June 30, 2022							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance as of March 31, 2022	$ 389	$ 92	$ 125	$ 59	$ 113	$ 40	$ 24	$ 49
Plus: Current period (benefit) provision for expected credit losses	(9)	(5)	(10)	2	4	5	—	(1)
Less: Write-offs, net of recoveries[(a)]	26	6	8	4	8	3	2	3
Balance as of June 30, 2022	$ 354	$ 81	$ 107	$ 57	$ 109	$ 42	$ 22	$ 45

	Three Months Ended June 30, 2021							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance as of March 31, 2021	$ 377	$ 103	$ 130	$ 43	$ 101	$ 41	$ 25	$ 35
Plus: Current period (benefit) provision for expected credit losses	(42)	(9)	(14)	(14)	(5)	(1)	(5)	1
Less: Write-offs, net of recoveries[(a)]	15	5	5	2	3	2	1	—
Balance as of June 30, 2021	$ 320	$ 89	$ 111	$ 27	$ 93	$ 38	$ 19	$ 36

	Six Months Ended June 30, 2022							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance as of December 31, 2021	$ 320	$ 73	$ 105	$ 38	$ 104	$ 37	$ 18	$ 49
Plus: Current period provision for expected credit losses[(b)]	101	21	21	28	31	16	7	8
Less: Write-offs, net of recoveries[(a)(c)]	67	13	19	9	26	11	3	12
Balance as of June 30, 2022	$ 354	$ 81	$ 107	$ 57	$ 109	$ 42	$ 22	$ 45

	Six Months Ended June 30, 2021							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance as of December 31, 2020	$ 334	$ 97	$ 116	$ 35	$ 86	$ 32	$ 22	$ 32
Plus: Current period provision (benefit) for expected credit losses	28	12	6	(5)	15	10	1	4
Less: Write-offs, net of recoveries[(a)]	42	20	11	3	8	4	4	—
Balance as of June 30, 2021	$ 320	$ 89	$ 111	$ 27	$ 93	$ 38	$ 19	$ 36

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(a) Recoveries were not material to the Registrants.
(b) For BGE, Pepco, and ACE, the increase is primarily as a result of increased receivable balances due to the increased aging of receivables.
(c) For ACE, the increase in 2022 is primarily related to the termination of the moratorium, which beginning in March 2020, prevented customer disconnections for non-payment. With disconnection activities restarting in January 2022, write-offs of aging accounts receivable increased throughout the year.

(Dollars in millions, except per share data, unless otherwise noted)

The following tables present the rollforward of Allowance for Credit Losses on Other Accounts Receivable.

Three Months Ended June 30, 2022	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance as of March 31, 2022	$ 81	$ 20	$ 9	$ 11	$ 41	$ 18	$ 9	$ 14
Plus: Current period provision (benefit) for expected credit losses	2	(2)	2	1	1	2	(1)	—
Less: Write-offs, net of recoveries[(a)]	2	—	1	1	—	—	—	—
Balance as of June 30, 2022	$ 81	$ 18	$ 10	$ 11	$ 42	$ 20	$ 8	$ 14

Three Months Ended June 30, 2021	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance as of March 31, 2021	$ 79	$ 22	$ 11	$ 9	$ 37	$ 15	$ 10	$ 12
Plus: Current period (benefit) provision for expected credit losses	(5)	(3)	(3)	—	1	1	(1)	1
Less: Write-offs, net of recoveries[(a)]	3	1	1	1	—	—	—	—
Balance as of June 30, 2021	$ 71	$ 18	$ 7	$ 8	$ 38	$ 16	$ 9	$ 13

Six Months Ended June 30, 2022	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance as of December 31, 2021	$ 72	$ 17	$ 7	$ 9	$ 39	$ 16	$ 8	$ 15
Plus: Current period provision for expected credit losses	15	2	4	4	5	4	—	1
Less: Write-offs, net of recoveries[(a)]	6	1	1	2	2	—	—	2
Balance as of June 30, 2022	$ 81	$ 18	$ 10	$ 11	$ 42	$ 20	$ 8	$ 14

Six Months Ended June 30, 2021	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance as of December 31, 2020	$ 71	$ 21	$ 8	$ 9	$ 33	$ 13	$ 9	$ 11
Plus: Current period provision (benefit) for expected credit losses	5	(2)	1	1	5	3	—	2
Less: Write-offs, net of recoveries[(a)]	5	1	2	2	—	—	—	—
Balance as of June 30, 2021	$ 71	$ 18	$ 7	$ 8	$ 38	$ 16	$ 9	$ 13

(a) Recoveries were not material to the Registrants.

Unbilled Customer Revenue

The following table provides additional information about unbilled customer revenues recorded in the Registrants' Consolidated Balance Sheets as of June 30, 2022 and December 31, 2021.

Unbilled customer revenues[(a)]	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
June 30, 2022	$ 636	$ 191	$ 138	$ 123	$ 184	$ 94	$ 41	$ 49
December 31, 2021	747	240	161	171	175	82	53	40

(a) Unbilled customer revenues are classified in Customer accounts receivables, net in the Registrants' Consolidated Balance Sheets.

(Dollars in millions, except per share data, unless otherwise noted)

Other Purchases of Customer and Other Accounts Receivables

The Utility Registrants are required, under separate legislation and regulations in Illinois, Pennsylvania, Maryland, District of Columbia, Delaware, and New Jersey, to purchase certain receivables from alternative retail electric and, as applicable, natural gas suppliers that participate in the utilities' consolidated billing. The following table presents the total receivables purchased.

	Total receivables purchased							
	Exelon[(a)]	ComEd	PECO	BGE[(a)]	PHI	Pepco	DPL	ACE
Six months ended June 30, 2022	$ 1,911	$ 456	$ 518	$ 391	$ 546	$ 342	$ 104	$ 100
Six months ended June 30, 2021	1,838	485	507	343	503	310	103	90

(a) Includes $4 million of receivables purchased from Generation prior to the separation on February 1, 2022 for the six months ended June 30, 2022 and $15 million of receivables purchased from Generation for the six months ended June 30, 2021.

(Dollars in millions, except per share data, unless otherwise noted)

7. Income Taxes (All Registrants)

Rate Reconciliation

The effective income tax rate from continuing operations varies from the U.S. federal statutory rate principally due to the following:

	Three Months Ended June 30, 2022[(a)]							
	Exelon	ComEd	PECO[(b)]	BGE[(b)]	PHI	Pepco[(b)]	DPL	ACE[(b)]
U.S. Federal statutory rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
Increase (decrease) due to:								
State income taxes, net of Federal income tax benefit[(c)]	(5.4)	7.9	(0.6)	2.1	1.5	(3.4)	7.2	6.7
Plant basis differences	(3.3)	(0.5)	(11.0)	(1.3)	(1.7)	(2.4)	(0.7)	(1.0)
Excess deferred tax amortization	(10.5)	(5.5)	(3.1)	(19.0)	(19.2)	(15.7)	(20.0)	(24.5)
Amortization of investment tax credit, including deferred taxes on basis difference	(0.1)	(0.1)	—	(0.1)	(0.1)	—	(0.2)	(0.2)
Tax credits	(0.4)	(0.3)	—	(1.5)	(0.4)	(0.4)	(0.4)	(0.4)
Other[(d)]	7.7	—	—	1.4	(0.1)	(0.5)	1.8	(1.6)
Effective income tax rate	9.0 %	22.5 %	6.3 %	2.6 %	1.0 %	(1.4)%	8.7 %	— %

	Three Months Ended June 30, 2021[(a)]							
	Exelon	ComEd	PECO[(e)]	BGE[(e)]	PHI	Pepco[(e)]	DPL	ACE[(e)]
U.S. Federal statutory rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
Increase (decrease) due to:								
State income taxes, net of Federal income tax benefit	1.1	8.0	(2.9)	(12.5)	2.4	(2.1)	7.0	8.1
Plant basis differences	(4.0)	(0.7)	(12.5)	(2.3)	(1.1)	(1.5)	(0.7)	(0.6)
Excess deferred tax amortization	(13.4)	(7.0)	(3.3)	(17.5)	(22.3)	(19.0)	(21.9)	(28.2)
Amortization of investment tax credit, including deferred taxes on basis difference	(0.1)	(0.1)	—	(0.1)	(0.1)	—	(0.2)	(0.2)
Tax credits	(1.0)	(0.8)	—	(3.6)	(0.8)	(0.7)	(0.9)	(0.6)
Other	(2.7)	(1.1)	(0.4)	(6.6)	(1.3)	(1.9)	(1.1)	(2.3)
Effective income tax rate	0.9 %	19.3 %	1.9 %	(21.6)%	(2.2)%	(4.2)%	3.2 %	(2.8)%

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(a) Positive percentages represent income tax expense. Negative percentages represent income tax benefit.
(b) For PECO, the lower effective tax rate is primarily related to plant basis differences attributable to tax repair deductions. For BGE, the lower effective tax rate is primarily due to the Maryland multi-year plan which resulted in the acceleration of certain income tax benefits. For Pepco, the income tax benefit is primarily due to the Maryland and Washington, D.C. multi-year plans which resulted in the acceleration of certain income tax benefits. For ACE, the lower effective tax rate is primarily due to the acceleration of certain income tax benefits due to distribution rate case settlements.
(c) For Exelon, the lower state income taxes, net of federal income tax benefit, is primarily related to a one-time impact associated with a state tax benefit of $43 million and indemnification adjustments pursuant to the Tax Matters Agreement of $5 million as a result of the separation.
(d) For Exelon, primarily related to indemnification adjustments pursuant to the Tax Matters Agreement of $48 million.
(e) For PECO, the lower effective tax rate is primarily related to plant basis differences attributable to tax repair deductions. For BGE, the income tax benefit is primarily due to the Maryland multi-year plan which resulted in the acceleration of certain income tax benefits. For Pepco, the income tax benefit is primarily due to the Maryland multi-year plan which resulted in the acceleration of certain income tax benefits. For ACE, the lower effective tax rate is primarily due to the acceleration of certain income tax benefits due to distribution rate case settlements.

(Dollars in millions, except per share data, unless otherwise noted)

	Six Months Ended June 30, 2022[(a)]							
	Exelon	ComEd	PECO[(b)]	BGE[(b)]	PHI	Pepco[(b)]	DPL	ACE[(b)]
U.S. Federal statutory rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
Increase (decrease) due to:								
State income taxes, net of Federal income tax benefit[(c)]	9.9	7.9	(0.3)	2.3	2.8	(3.8)	6.5	6.7
Plant basis differences	(3.5)	(0.5)	(11.2)	(1.0)	(1.7)	(2.5)	(0.7)	(1.2)
Excess deferred tax amortization	(11.0)	(5.8)	(3.2)	(17.8)	(18.3)	(16.3)	(19.5)	(22.9)
Amortization of investment tax credit, including deferred taxes on basis difference	(0.1)	(0.1)	—	(0.1)	(0.1)	—	(0.2)	(0.2)
Tax credits[(d)]	0.8	(0.3)	—	(0.6)	(0.4)	(0.4)	(0.3)	(0.3)
Other[(e)]	4.7	0.1	0.3	0.3	0.1	(0.7)	0.4	(0.5)
Effective income tax rate	21.8 %	22.3 %	6.6 %	4.1 %	3.4 %	(2.7)%	7.2 %	2.6 %

	Six Months Ended June 30, 2021[(a)]							
	Exelon	ComEd	PECO[(f)]	BGE[(f)]	PHI	Pepco[(f)]	DPL	ACE[(f)]
U.S. Federal statutory rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
Increase (decrease) due to:								
State income taxes, net of Federal income tax benefit	2.0	7.4	(2.1)	(10.5)	4.2	1.5	6.6	7.8
Plant basis differences	(3.6)	(0.6)	(11.3)	(1.6)	(1.3)	(1.8)	(0.7)	(0.7)
Excess deferred tax amortization	(12.5)	(7.0)	(3.3)	(15.9)	(20.8)	(17.2)	(19.7)	(28.3)
Amortization of investment tax credit, including deferred taxes on basis difference	(0.1)	(0.1)	—	(0.1)	(0.1)	—	(0.2)	(0.2)
Tax credits	(0.5)	(0.5)	—	(0.9)	(0.5)	(0.5)	(0.4)	(0.5)
Other	(1.6)	(2.3)	(0.1)	(1.0)	(0.7)	(0.8)	(0.1)	(1.1)
Effective income tax rate	4.7 %	17.9 %	4.2 %	(9.0)%	1.8 %	2.2 %	6.5 %	(2.0)%

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(a) Positive percentages represent income tax expense. Negative percentages represent income tax benefit.
(b) For PECO, the lower effective tax rate is primarily related to plant basis differences attributable to tax repair deductions. For BGE, the lower effective tax rate is primarily due to the Maryland multi-year plan which resulted in the acceleration of certain income tax benefits. For Pepco, the income tax benefit is primarily due to the Maryland and Washington, D.C. multi-year plans which resulted in the acceleration of certain income tax benefits. For ACE, the lower effective tax rate is primarily due to the acceleration of certain income tax benefits due to distribution rate case settlements.
(c) For Exelon, the higher state income taxes, net of federal income tax benefit, is primarily due to the long-term marginal state income tax rate change of $67 million and the recognition of a valuation allowance of $40 million against the net deferred tax asset position for certain standalone state filing jurisdictions, partially offset by a one-time impact associated with a state tax benefit of $43 million and indemnification adjustments pursuant to the Tax Matters Agreement of $4 million as a result of the separation.
(d) For Exelon, reflects the income tax expense related to the write-off of federal tax credits subject to recapture of $15 million as a result of the separation.
(e) For Exelon, primarily reflects the nondeductible transaction costs of approximately $19 million arising as part of the separation and indemnification adjustments pursuant to the Tax Matters Agreement of $48 million.
(f) For PECO, the lower effective tax rate is primarily related to plant basis differences attributable to tax repair deductions. For BGE, the income tax benefit is primarily due to the Maryland multi-year plan which resulted in the acceleration of certain income tax benefits. For Pepco, the income tax benefit is primarily due to the Maryland multi-year plan which resulted in the acceleration of certain income tax benefits. For ACE, the lower effective tax rate is primarily due to the acceleration of certain income tax benefits due to distribution rate case settlements.

(Dollars in millions, except per share data, unless otherwise noted)

Unrecognized Tax Benefits

Exelon, PHI and ACE have the following unrecognized tax benefits as of June 30, 2022 and December 31, 2021. ComEd's, PECO's, BGE's, Pepco's, and DPL's amounts are not material.

	Exelon[(a)]	PHI	ACE
June 30, 2022	$ 147	$ 58	$ 16
December 31, 2021	143	56	16

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(a) As of June 30, 2022, Exelon recorded a receivable of $50 million in Noncurrent other assets in the Consolidated Balance Sheet for Constellation's share of unrecognized tax benefits for periods prior to the separation.

Reasonably possible the total amount of unrecognized tax benefits could significantly increase or decrease within 12 months after the reporting date

As of June 30, 2022, ACE has $14 million of unrecognized state tax benefits that could significantly decrease within the 12 months after the reporting date based on the outcome of pending court cases involving other taxpayers. The unrecognized tax benefit, if recognized, may be included in future base rates and that portion would have no impact to the effective tax rate.

Other Tax Matters

Separation (Exelon)

In the first quarter of 2022, in connection with the separation, Exelon recorded an income tax expense related to continuing operations of $148 million primarily due to the long-term marginal state income tax rate change of $67 million discussed further below, the recognition of valuation allowances of approximately $40 million against the net deferred tax assets positions for certain standalone state filing jurisdictions, the write-off of federal and state tax credits subject to recapture of $17 million, and nondeductible transaction costs for federal and state taxes of $24 million.

Tax Matters Agreement (Exelon)

In connection with the separation, Exelon entered into a TMA with Constellation. The TMA governs the respective rights, responsibilities, and obligations between Exelon and Constellation after the separation with respect to tax liabilities, refunds and attributes for open tax years that Constellation was part of Exelon's consolidated group for U.S. federal, state, and local tax purposes.

Indemnification for Taxes. As a former subsidiary of Exelon, Constellation has joint and several liability with Exelon to the IRS and certain state jurisdictions relating to the taxable periods prior to the separation. The TMA specifies that Constellation is liable for their share of taxes required to be paid by Exelon with respect to taxable periods prior to the separation to the extent Constellation would have been responsible for such taxes under the existing Exelon tax sharing agreement. As a result, Exelon recorded a receivable of $55 million in Current other assets in the Consolidated Balance Sheet for Constellation's share of taxes for periods prior to the separation, as of March 31, 2022. As of June 30, 2022, the remaining amount of the receivable is $31 million.

Tax Refunds. The TMA specifies that Constellation is entitled to their share of any future tax refunds claimed by Exelon with respect to taxable periods prior to the separation to the extent that Constellation would have received such tax refunds under the existing Exelon tax sharing agreement.

Tax Attributes. At the date of separation certain tax attributes, primarily pre-closing tax credit carryforwards, that were generated by Constellation were required by law to be allocated to Exelon. The TMA also provides that Exelon will reimburse Constellation when those allocated tax credit carryforwards are utilized. As of March 31, 2022, Exelon recorded a payable of $11 million and $484 million in Current other liabilities and Noncurrent other liabilities, respectively, in the Consolidated Balance Sheet for tax credit carryforwards that are expected to be utilized and reimbursed to Constellation. As of June 30, 2022, the current and noncurrent payable amounts are $0 million and $480 million, respectively.

Long-Term Marginal State Income Tax Rate (All Registrants)

In the first quarter of 2022, Exelon updated its marginal state income tax rates for changes in state apportionment due to the separation, which resulted in an increase of $67 million to the deferred tax liability at Exelon, and a corresponding adjustment to income tax expense, net of federal taxes.

Pennsylvania Corporate Income Tax Rate Change (Exelon and PECO)

On July 8, 2022, Pennsylvania enacted House Bill 1342, which will permanently reduce the corporate income tax rate from 9.99% to 4.99%. The tax rate will be reduced to 8.99% for the 2023 tax year. Starting with the 2024 tax year, the rate is reduced by 0.50% annually until it reaches 4.99% in 2031. As a result of the rate change, in the third quarter of 2022, Exelon and PECO will record an estimated one-time decrease to deferred income taxes of $390 million with a corresponding decrease to the deferred income taxes regulatory asset of $428 million for the amounts that are expected to be settled through future customer rates and an increase to income tax expense of $38 million (net of federal taxes). The tax rate decrease is not expected to have a material ongoing impact to Exelon’s and PECO’s financial statements.

8. Retirement Benefits (All Registrants)

Defined Benefit Pension and OPEB

Effective February 1, 2022, in connection with the separation, pension and OPEB obligations and assets for current and former employees of the Constellation business and certain other former employees of Exelon and its subsidiaries transferred to pension and OPEB plans and trusts maintained by Constellation or its subsidiaries. The Exelon New England Union Employees Pension Plan and Constellation Mystic Power, LLC Union Employees Pension Plan Including Plan A and Plan B were transferred. The following OPEB plans were also transferred: Constellation Mystic Power, LLC Post-Employment Medical Account Savings Plan, Exelon New England Union Post-Employment Medical Savings Account Plan, and the Nine Mile Point Nuclear Station, LLC Medical Care and Prescription Drug Plan for Retired Employees.

As a result of the separation, Exelon restructured certain of its qualified pension plans. Pension obligations and assets for current and former employees continuing with Exelon and who are participants in the Exelon Employee Pension Plan for Clinton, TMI, and Oyster Creek, Pension Plan of Constellation Energy Nuclear Group, LLC, and Nine Mile Point Pension Plan were merged into the Pension Plan of Constellation Energy Group, Inc, which was subsequently renamed, Exelon Pension Plan (EPP). Exelon employees who participated in these plans prior to the separation now participate in the EPP. The merging of the plans did not change the benefits offered to the plan participants and, thus, had no impact on Exelon's pension obligations.

The tables below show the pension and OPEB plans in which employees of each operating company participated as of June 30, 2022:

	Operating Company[(a)]						
Name of Plan:	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Qualified Pension Plans:							
Exelon Corporation Retirement Program	X	X	X	X	X	X	X
Exelon Corporation Pension Plan for Bargaining Unit Employees	X						
Exelon Pension Plan	X	X	X	X	X	X	X
Pepco Holdings LLC Retirement Plan	X	X	X	X	X	X	X
Non-Qualified Pension Plans:							
Exelon Corporation Supplemental Pension Benefit Plan and 2000 Excess Benefit Plan	X	X		X			
Exelon Corporation Supplemental Management Retirement Plan	X	X	X	X		X	
Constellation Energy Group, Inc. Senior Executive Supplemental Plan			X	X			
Constellation Energy Group, Inc. Supplemental Pension Plan			X	X			
Constellation Energy Group, Inc. Benefits Restoration Plan		X	X	X			
Baltimore Gas & Electric Company Executive Benefit Plan			X				
Baltimore Gas & Electric Company Manager Benefit Plan		X	X				
Pepco Holdings LLC 2011 Supplemental Executive Retirement Plan				X	X	X	X
Conectiv Supplemental Executive Retirement Plan				X		X	X
Pepco Holdings LLC Combined Executive Retirement Plan				X	X		
Atlantic City Electric Director Retirement Plan				X			X

(Dollars in millions, except per share data, unless otherwise noted)

	Operating Company[(a)]						
Name of Plan:	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
OPEB Plans:							
PECO Energy Company Retiree Medical Plan	X	X	X	X	X	X	X
Exelon Corporation Health Care Program	X	X	X	X	X	X	X
Exelon Corporation Employees' Life Insurance Plan	X	X	X				
Exelon Corporation Health Reimbursement Arrangement Plan	X	X	X				
BGE Retiree Medical Plan	X	X	X	X	X	X	
BGE Retiree Dental Plan			X				
Exelon Employee Life Insurance Plan and Family Life Insurance Plan	X		X	X	X	X	
Exelon Retiree Medical Plan of Constellation Energy Nuclear Group, LLC	X		X	X			
Exelon Retiree Dental Plan of Constellation Energy Nuclear Group, LLC	X		X	X			
Pepco Holdings LLC Welfare Plan for Retirees	X	X	X	X	X	X	X

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(a) Employees generally remain in their legacy benefit plans when transferring between operating companies.

As of February 1, 2022, in connection with the separation, Exelon's pension and OPEB plans were remeasured. The remeasurement and separation resulted in a decrease to the pension obligation, net of plan assets, of $921 million and a decrease to the OPEB obligation of $893 million. Additionally, accumulated other comprehensive loss, decreased by $1,994 million (after-tax) and regulatory assets and liabilities increased by $14 million and $5 million respectively. Key assumptions were held consistent with the year end December 31, 2021 assumptions with the exception of the discount rate.

The majority of the 2022 pension benefit cost for the Exelon-sponsored plans is calculated using an expected long-term rate of return on plan assets of 7.00% and a discount rate of 3.24%. The majority of the 2022 OPEB cost is calculated using an expected long-term rate of return on plan assets of 6.44% for funded plans and a discount rate of 3.20%.

During the first quarter of 2022, Exelon received an updated valuation of its pension and OPEB to reflect actual census data as of February 1, 2022. This valuation resulted in a decrease to the pension obligation of $24 million and an increase to the OPEB obligation of $5 million. Additionally, accumulated other comprehensive loss increased by $5 million (after-tax) and regulatory assets and liabilities decreased by $30 million and $3 million, respectively.

A portion of the net periodic benefit cost for all plans is capitalized within the Consolidated Balance Sheets. The following table presents the components of Exelon's net periodic benefit costs, prior to capitalization, for the three and six months ended June 30, 2022 and 2021.

(Dollars in millions, except per share data, unless otherwise noted)

	Pension Benefits		OPEB	
	Three Months Ended June 30,		Three Months Ended June 30,	
	2022	2021	2022	2021
Components of net periodic benefit cost:				
Service cost	$ 58	$ 75	$ 10	$ 13
Interest cost	110	101	19	17
Expected return on assets	(205)	(210)	(25)	(25)
Amortization of:				
Prior service cost (credit)	1	—	(5)	(7)
Actuarial loss	73	99	4	8
Net periodic benefit cost	$ 37	$ 65	$ 3	$ 6

	Pension Benefits		OPEB	
	Six Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Components of net periodic benefit cost:				
Service cost	$ 119	$ 148	$ 20	$ 26
Interest cost	220	202	38	35
Expected return on assets	(414)	(421)	(50)	(50)
Amortization of:				
Prior service cost (credit)	2	1	(10)	(13)
Actuarial loss	149	199	8	14
Curtailment benefits	—	—	—	(1)
Net periodic benefit cost	$ 76	$ 129	$ 6	$ 11

The amounts below represent the Registrants' allocated pension and OPEB costs. For Exelon, the service cost component is included in Operating and maintenance expense and Property, plant, and equipment, net while the non-service cost components are included in Other, net and Regulatory assets. For the Utility Registrants, the service cost and non-service cost components are included in Operating and maintenance expense and Property, plant, and equipment, net in their consolidated financial statements.

(Dollars in millions, except per share data, unless otherwise noted)

	Three Months Ended June 30,		Six Months Ended June 30,	
Pension and OPEB Costs (Benefit)	2022	2021	2022	2021
Exelon	$ 40	$ 71	$ 82	$ 140
ComEd	14	32	30	64
PECO	(2)	2	(4)	4
BGE	11	16	22	31
PHI	13	12	26	24
Pepco	2	2	4	3
DPL	1	1	2	1
ACE	3	3	6	5

Defined Contribution Savings Plan

The Registrants participate in a 401(k) defined contribution savings plan that is sponsored by Exelon. The plan is qualified under applicable sections of the IRC and allow employees to contribute a portion of their pre-tax and/or after-tax income in accordance with specified guidelines. All Registrants match a percentage of the employee contributions up to certain limits. The following table presents the employer contributions and employer matching contributions to the savings plan for the three and six months ended June 30, 2022 and 2021, respectively.

	Three Months Ended June 30,		Six Months Ended June 30,	
Savings Plan Matching Contributions	2022	2021	2022	2021
Exelon	$ 23	$ 23	$ 43	$ 43
ComEd	10	10	18	18
PECO	3	3	6	6
BGE	3	2	5	4
PHI	4	4	7	7
Pepco	1	1	2	2
DPL	1	1	2	2
ACE	1	1	1	1

9. Derivative Financial Instruments (All Registrants)

The Registrants use derivative instruments to manage commodity price risk related to ongoing business operations.

Authoritative guidance requires that derivative instruments be recognized as either assets or liabilities at fair value, with changes in fair value of the derivative recognized in earnings immediately. Other accounting treatments are available through special election and designation, provided they meet specific, restrictive criteria both at the time of designation and on an ongoing basis. These alternative permissible accounting treatments include NPNS, cash flow hedges, and fair value hedges. At ComEd, derivative economic hedges related to commodities are recorded at fair value and offset by a corresponding regulatory asset or liability. For all NPNS derivative instruments, accounts receivable or accounts payable are recorded when derivatives settle and revenue or expense is recognized in earnings as the underlying physical commodity is sold or consumed.

ComEd's use of cash collateral is generally unrestricted unless ComEd is downgraded below investment grade. Cash collateral held by PECO, BGE, Pepco, DPL, and ACE must be deposited in an unaffiliated major U.S. commercial bank or foreign bank with a U.S. branch office that meet certain qualifications.

Commodity Price Risk

The Registrants employ established policies and procedures to manage their risks associated with market fluctuations in commodity prices by entering into physical and financial derivative contracts, which are either determined to be non-derivative or classified as economic hedges. The Utility Registrants procure electric and natural gas supply through a competitive procurement process approved by each of the respective state utility commissions. The Utility Registrants' hedging programs are intended to reduce exposure to energy and natural gas price volatility and have no direct earnings impact as the costs are fully recovered from customers through regulatory-approved recovery mechanisms. The following table provides a summary of the Utility Registrants' primary derivative hedging instruments, listed by commodity and accounting treatment.

(Dollars in millions, except per share data, unless otherwise noted)

Registrant	Commodity	Accounting Treatment	Hedging Instrument
ComEd	Electricity	NPNS	Fixed price contracts based on all requirements in the IPA procurement plans.
	Electricity	Changes in fair value of economic hedge recorded to an offsetting regulatory asset or liability[(a)]	20-year floating-to-fixed energy swap contracts beginning June 2012 based on the renewable energy resource procurement requirements in the Illinois Settlement Legislation of approximately 1.3 million MWhs per year.
PECO	Electricity	NPNS	Fixed price contracts for default supply requirements through full requirements contracts.
	Gas	NPNS	Fixed price contracts to cover about 10% of planned natural gas purchases in support of projected firm sales.
BGE	Electricity	NPNS	Fixed price contracts for all SOS requirements through full requirements contracts.
	Gas	NPNS	Fixed price contracts for between 10-20% of forecasted system supply requirements for flowing (i.e., non-storage) gas for the November through March period.
Pepco	Electricity	NPNS	Fixed price contracts for all SOS requirements through full requirements contracts.
DPL	Electricity	NPNS	Fixed price contracts for all SOS requirements through full requirements contracts.
	Gas	NPNS	Fixed and index priced contracts through full requirements contracts.
		Changes in fair value of economic hedge recorded to an offsetting regulatory asset or liability[(b)]	Exchange traded future contracts for up to 50% of estimated monthly purchase requirements each month, including purchases for storage injections.
ACE	Electricity	NPNS	Fixed price contracts for all BGS requirements through full requirements contracts.

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(a) See Note 3 — Regulatory Matters of the 2021 Recast Form 10-K for additional information.
(b) The fair value of the DPL economic hedge is not material as of June 30, 2022 and December 31, 2021.

The fair value of derivative economic hedges is presented in Other current assets and current and noncurrent Mark-to-market derivative liabilities in Exelon's and ComEd's Consolidated Balance Sheets. The Mark-to-market derivative assets included in Other current assets in Exelon's and ComEd's Consolidated Balance Sheets were $15 million and none as of June 30, 2022 and December 31, 2021, respectively.

Credit Risk

The Registrants would be exposed to credit-related losses in the event of non-performance by counterparties on executed derivative instruments. The credit exposure of derivative contracts, before collateral, is represented by the fair value of contracts at the reporting date. The Utility Registrants have contracts to procure electric and natural gas supply that provide suppliers with a certain amount of unsecured credit. If the exposure on the supply contract exceeds the amount of unsecured credit, the suppliers may be required to post collateral. The net credit exposure is mitigated primarily by the ability to recover procurement costs through customer rates. As of June 30, 2022, the amount of cash collateral held with external counterparties by Exelon, ComEd, BGE, PHI, Pepco, DPL, and ACE was $781 million, $133 million, $194 million, $452 million, $87 million, $224 million, and $141 million, respectively, which is recorded in Other current liabilities in Exelon's, ComEd's, BGE's, PHI's, Pepco's, DPL's, and ACE's Consolidated Balance Sheets. The amount of cash collateral received from external counterparties increased as of June 30, 2022 due to rising energy prices. The amount for PECO was not material as of June 30, 2022. As of December 31, 2021, the amounts for ComEd and DPL were $41 million and $43 million, respectively. The amounts for Exelon, PECO, BGE, PHI, Pepco, and ACE were not material as of December 31, 2021.

(Dollars in millions, except per share data, unless otherwise noted)

The Utility Registrants' electric supply procurement contracts do not contain provisions that would require them to post collateral. PECO's, BGE's, and DPL's natural gas procurement contracts contain provisions that could require PECO, BGE, and DPL to post collateral in the form of cash or credit support, which vary by contract and counterparty, with thresholds contingent upon PECO's, BGE's, and DPL's credit rating. As of June 30, 2022, PECO, BGE, and DPL were not required to post collateral for any of these agreements. If PECO, BGE, or DPL lost their investment grade credit rating as of June 30, 2022, they could have been required to post collateral to their counterparties of $37 million, $75 million, and $15 million, respectively.

10. Debt and Credit Agreements (All Registrants)

Short-Term Borrowings

Exelon Corporate, ComEd, and BGE meet their short-term liquidity requirements primarily through the issuance of commercial paper. PECO meets their short-term liquidity requirements primarily through the issuance of commercial paper and borrowings from the Exelon intercompany money pool. Pepco, DPL, and ACE meet their short-term liquidity requirements primarily through the issuance of commercial paper and borrowings from the PHI intercompany money pool. PHI Corporate meets its short-term liquidity requirements primarily through the issuance of short-term notes and borrowings from the Exelon intercompany money pool. The Registrants may use their respective credit facilities for general corporate purposes, including meeting short-term funding requirements and the issuance of letters of credit.

Commercial Paper

The following table reflects the Registrants' commercial paper programs as of June 30, 2022 and December 31, 2021. ComEd had no commercial paper borrowings as of June 30, 2022 and December 31, 2021.

	Outstanding Commercial Paper as of		Average Interest Rate on Commercial Paper Borrowings as of	
Commercial Paper Issuer	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Exelon[(a)]	$ 353	$ 599	1.86 %	0.35 %
PECO	210	—	1.86 %	— %
BGE	—	130	— %	0.37 %
PHI[(b)]	43	469	1.85 %	0.35 %
Pepco	43	175	1.85 %	0.33 %
DPL	—	149	— %	0.36 %
ACE	—	145	— %	0.35 %

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(a) Exelon Corporate had $100 million of outstanding commercial paper borrowings at June 30, 2022 and no outstanding commercial paper borrowings as of December 31, 2021.
(b) Represents the consolidated amounts of Pepco, DPL, and ACE.

(Dollars in millions, except per share data, unless otherwise noted)

Revolving Credit Agreements

On February 1, 2022, Exelon Corporate and the Utility Registrants' each entered into a new 5-year revolving credit facility that replaced its existing syndicated revolving credit facility. The following table reflects the credit agreements:

Borrower	Aggregate Bank Commitment	Interest Rate
Exelon Corporate	900	SOFR plus 1.275 %
ComEd	1,000	SOFR plus 1.000 %
PECO	600	SOFR plus 0.900 %
BGE	600	SOFR plus 0.900 %
Pepco	300	SOFR plus 1.075 %
DPL	300	SOFR plus 1.000 %
ACE	300	SOFR plus 1.075 %

See Note 15 — Debt and Credit Agreements of the 2021 Recast Form 10-K for additional information on the Registrants' credit facilities.

Short-Term Loan Agreements

On March 23, 2017, Exelon Corporate entered into a term loan agreement for $500 million. The loan agreement was renewed on March 14, 2022 and will expire on March 16, 2023. Pursuant to the loan agreement, loans made thereunder bear interest at a variable rate equal to SOFR plus 0.65% and all indebtedness thereunder is unsecured. The loan agreement is reflected in Exelon's Consolidated Balance Sheets within Short-term borrowings.

On March 31, 2021, Exelon Corporate entered into a 364-day term loan agreement for $150 million with a variable interest rate of LIBOR plus 0.65% and an expiration date of March 30, 2022. Exelon Corporate repaid the term loan on March 30, 2022.

In connection with the separation, on January 24, 2022, Exelon Corporate entered into a 364-day term loan agreement for $1.15 billion. The loan agreement will expire on January 23, 2023. Pursuant to the loan agreement, loans made thereunder bear interest at a variable rate equal to SOFR plus 0.75% with a 22.5 basis point increase which commenced on July 24, 2022. All indebtedness pursuant to the loan agreement is unsecured.

(Dollars in millions, except per share data, unless otherwise noted)

Long-Term Debt

Issuance of Long-Term Debt

During the six months ended June 30, 2022, the following long-term debt was issued:

Company	Type	Interest Rate	Maturity	Amount	Use of Proceeds
Exelon	SMBC Term Loan Agreement	SOFR plus 0.65%	July 21, 2023	$300	Fund a cash payment to Constellation and for general corporate purposes.
Exelon	U.S. Bank Term Loan Agreement	SOFR plus 0.65%	July 21, 2023	300	Fund a cash payment to Constellation and for general corporate purposes.
Exelon	PNC Term Loan Agreement	SOFR plus 0.65%	July 24, 2023	250	Fund a cash payment to Constellation and for general corporate purposes.
Exelon	Notes[b]	2.75%	March 15, 2027	650	Repay existing indebtedness and for general corporate purposes.
Exelon	Notes[b]	3.35%	March 15, 2032	650	Repay existing indebtedness and for general corporate purposes.
Exelon	Notes[b]	4.10%	March 15, 2052	700	Repay existing indebtedness and for general corporate purposes.
ComEd	First Mortgage Bonds, Series 132	3.15%	March 15, 2032	300	Repay outstanding commercial paper obligations and to fund other general corporate purposes.
ComEd	First Mortgage Bonds, Series 133	3.85%	March 15, 2052	450	Repay outstanding commercial paper obligations and to fund other general corporate purposes.
PECO	First and Refunding Mortgage Bonds	4.60%	May 15, 2052	350	Refinance existing indebtedness and for general corporate purposes.
BGE	Notes	4.55%	June 1, 2052	500	Repay outstanding commercial paper obligations, repay existing indebtedness, and for general corporate purposes.
Pepco[a]	First Mortgage Bonds	3.97%	March 24, 2052	400	Repay existing indebtedness and for general corporate purposes.
DPL	First Mortgage Bonds	3.06%	February 15, 2052	125	Repay existing indebtedness and for general corporate purposes.
ACE	First Mortgage Bonds	2.27%	February 15, 2032	25	Repay existing indebtedness and for general corporate purposes.
ACE	First Mortgage Bonds	3.06%	February 15, 2052	150	Repay existing indebtedness and for general corporate purposes.

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(a) On March 24, 2022, Pepco entered into a purchase agreement of First Mortgage Bonds of $225 million at 3.35% due on September 15, 2032. The closing date of the issuance is expected to occur in September 2022.
(b) In connection with the issuance and sale of the Notes, Exelon entered into a Registration Rights Agreement with the representatives of the initial purchasers of the Notes and other parties. Pursuant to the Registration Rights Agreement, Exelon will be obligated to file a registration statement with respect to an offer to exchange the Notes for substantially similar notes of Exelon that are registered under the Securities Act or, in certain circumstances, register the resale of the Notes. The registered exchange notes, if and when issued, will have terms identical in all material respects to the Notes, except that their issuance will have been registered under the Securities Act.

Long-Term Debt to Affiliates

As of December 31, 2021, Exelon Corporate had $319 million recorded to intercompany notes receivable from Generation. See Note 15 — Debt and Credit Agreements of the 2021 Recast Form 10-K for additional information. In connection with the separation, on January 31, 2022, Exelon Corporate received cash from Generation of $258 million to settle the intercompany loan.

Debt Covenants

As of June 30, 2022, the Registrants are in compliance with debt covenants.

(Dollars in millions, except per share data, unless otherwise noted)

11. Fair Value of Financial Assets and Liabilities (All Registrants)

Exelon measures and classifies fair value measurements in accordance with the hierarchy as defined by GAAP. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Registrants have the ability to liquidate as of the reporting date.
- Level 2 - inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3 - unobservable inputs, such as internally developed pricing models or third-party valuations for the asset or liability due to little or no market activity for the asset or liability.

Fair Value of Financial Liabilities Recorded at Amortized Cost

The following tables present the carrying amounts and fair values of the Registrants' short-term liabilities, long-term debt, and trust preferred securities (long-term debt to financing trusts or junior subordinated debentures) as of June 30, 2022 and December 31, 2021. The Registrants have no financial liabilities classified as Level 1.

The carrying amounts of the Registrants' short-term liabilities as presented in their Consolidated Balance Sheets are representative of their fair value (Level 2) because of the short-term nature of these instruments.

	June 30, 2022				December 31, 2021			
		Fair Value				Fair Value		
	Carrying Amount	Level 2	Level 3	Total	Carrying Amount	Level 2	Level 3	Total
Long-Term Debt, including amounts due within one year[(a)]								
Exelon	$ 36,294	$ 30,960	$ 2,315	$ 33,275	$ 32,902	$ 34,897	$ 2,217	$ 37,114
ComEd	10,516	9,609	—	9,609	9,773	11,305	—	11,305
PECO	4,192	3,772	50	3,822	4,197	4,740	50	4,790
BGE	4,456	4,096	—	4,096	3,961	4,406	—	4,406
PHI	8,027	4,853	2,265	7,118	7,547	5,970	2,167	8,137
Pepco	3,642	2,465	1,104	3,569	3,445	3,201	975	4,176
DPL	1,938	1,210	503	1,713	1,810	1,426	552	1,978
ACE	1,757	954	658	1,612	1,582	1,091	641	1,732
Long-Term Debt to Financing Trusts								
Exelon	$ 390	$ —	$ 398	$ 398	$ 390	$ —	$ 470	$ 470
ComEd	205	—	209	209	205	—	248	248
PECO	184	—	189	189	184	—	222	222

(a) Includes unamortized debt issuance costs, unamortized debt discount and premium, net, purchase accounting fair value adjustments, and finance lease liabilities which are not fair valued. Refer to Note 15 - Debt and Credit Agreements of the 2021 Recast Form 10-K for unamortized debt issuance costs, unamortized debt discount and premium, net, and purchase accounting fair value adjustments and Note 10 - Leases of the 2021 Recast Form 10-K for finance lease liabilities.

(Dollars in millions, except per share data, unless otherwise noted)

Recurring Fair Value Measurements

The following tables present assets and liabilities measured and recorded at fair value in the Registrants' Consolidated Balance Sheets on a recurring basis and their level within the fair value hierarchy as of June 30, 2022 and December 31, 2021:

Exelon

	As of June 30, 2022				As of December 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Cash equivalents[(a)]	$ 1,319	$ —	$ —	$ 1,319	$ 524	$ —	$ —	$ 524
Rabbi trust investments								
Cash equivalents	63	—	—	63	60	—	—	60
Mutual funds	52	—	—	52	60	—	—	60
Fixed income	—	8	—	8	—	10	—	10
Life insurance contracts	—	59	38	97	—	61	37	98
Rabbi trust investments subtotal	115	67	38	220	120	71	37	228
Mark-to-market derivative assets	—	—	15	15	—	—	—	—
Total assets	1,434	67	53	1,554	644	71	37	752
Liabilities								
Mark-to-market derivative liabilities	—	—	(103)	(103)	—	—	(219)	(219)
Deferred compensation obligation	—	(73)	—	(73)	—	(131)	—	(131)
Total liabilities	—	(73)	(103)	(176)	—	(131)	(219)	(350)
Total net assets (liabilities)	$ 1,434	$ (6)	$ (50)	$ 1,378	$ 644	$ (60)	$ (182)	$ 402

(a) Exelon excludes cash of $177 million and $464 million as of June 30, 2022 and December 31, 2021, respectively, and restricted cash of $340 million and $49 million as of June 30, 2022 and December 31, 2021, respectively, and includes long-term restricted cash of $59 million and $44 million as of June 30, 2022 and December 31, 2021, respectively, which is reported in Other deferred debits in the Consolidated Balance Sheets.

(Dollars in millions, except per share data, unless otherwise noted)

ComEd, PECO, and BGE

	ComEd				PECO				BGE			
As of June 30, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets												
Cash equivalents[a]	$ 409	$ —	$ —	$ 409	$ 11	$ —	$ —	$ 11	$ 318	$ —	$ —	$ 318
Rabbi trust investments												
Mutual funds	—	—	—	—	9	—	—	9	7	—	—	7
Life insurance contracts	—	—	—	—	—	16	—	16	—	—	—	—
Rabbi trust investments subtotal	—	—	—	—	9	16	—	25	7	—	—	7
Mark-to-market derivative assets[b]	—	—	15	15	—	—	—	—	—	—	—	—
Total assets	409	—	15	424	20	16	—	36	325	—	—	325
Liabilities												
Mark-to-market derivative liabilities[b]	—	—	(103)	(103)	—	—	—	—	—	—	—	—
Deferred compensation obligation	—	(8)	—	(8)	—	(7)	—	(7)	—	(4)	—	(4)
Total liabilities	—	(8)	(103)	(111)	—	(7)	—	(7)	—	(4)	—	(4)
Total net assets (liabilities)	$ 409	$ (8)	$ (88)	$ 313	$ 20	$ 9	$ —	$ 29	$ 325	$ (4)	$ —	$ 321

	ComEd				PECO				BGE			
As of December 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets												
Cash equivalents[a]	$ 237	$ —	$ —	$ 237	$ 9	$ —	$ —	$ 9	$ —	$ —	$ —	$ —
Rabbi trust investments												
Mutual funds	—	—	—	—	11	—	—	11	14	—	—	14
Life insurance contracts	—	—	—	—	—	16	—	16	—	—	—	—
Rabbi trust investments subtotal	—	—	—	—	11	16	—	27	14	—	—	14
Total assets	237	—	—	237	20	16	—	36	14	—	—	14
Liabilities												
Mark-to-market derivative liabilities[b]	—	—	(219)	(219)	—	—	—	—	—	—	—	—
Deferred compensation obligation	—	(10)	—	(10)	—	(9)	—	(9)	—	(7)	—	(7)
Total liabilities	—	(10)	(219)	(229)	—	(9)	—	(9)	—	(7)	—	(7)
Total net assets (liabilities)	$ 237	$ (10)	$ (219)	$ 8	$ 20	$ 7	$ —	$ 27	$ 14	$ (7)	$ —	$ 7

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(a) ComEd excludes cash of $21 million and $105 million as of June 30, 2022 and December 31, 2021, respectively, and restricted cash of $133 million and $42 million as of June 30, 2022 and December 31, 2021, respectively, and includes long-term restricted cash of $59 million and $43 million as of June 30, 2022 and December 31, 2021, respectively, which is reported in Other deferred debits in the Consolidated Balance Sheets. PECO excludes cash of $21 million and $35 million as of June 30, 2022 and December 31, 2021, respectively. BGE excludes cash of $36 million and $51 million as of June 30, 2022 and December 31, 2021, respectively, and restricted cash of $205 million and $4 million as of June 30, 2022 and December 31, 2021, respectively.

(b) The Level 3 balance consists of the current asset of $15 million and current and noncurrent liability of none and $103 million, respectively, as of June 30, 2022 and none, $18 million and $201 million, respectively, as of December 31, 2021 related to floating-to-fixed energy swap contracts with unaffiliated suppliers.

(Dollars in millions, except per share data, unless otherwise noted)

PHI, Pepco, DPL, and ACE

	As of June 30, 2022				As of December 31, 2021			
PHI	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Cash equivalents[(a)]	$ 557	$ —	$ —	$ 557	$ 110	$ —	$ —	$ 110
Rabbi trust investments								
Cash equivalents	60	—	—	60	59	—	—	59
Mutual funds	11	—	—	11	14	—	—	14
Fixed income	—	8	—	8	—	10	—	10
Life insurance contracts	—	22	37	59	—	27	35	62
Rabbi trust investments subtotal	71	30	37	138	73	37	35	145
Total assets	628	30	37	695	183	37	35	255
Liabilities								
Deferred compensation obligation	—	(14)	—	(14)	—	(18)	—	(18)
Total liabilities	—	(14)	—	(14)	—	(18)	—	(18)
Total net assets	$ 628	$ 16	$ 37	$ 681	$ 183	$ 19	$ 35	$ 237

	Pepco				DPL				ACE			
As of June 30, 2022	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets												
Cash equivalents[(a)]	$ 115	$ —	$ —	$ 115	$ 223	$ —	$ —	$ 223	$ 218	$ —	$ —	$ 218
Rabbi trust investments												
Cash equivalents	59	—	—	59	—	—	—	—	—	—	—	—
Life insurance contracts	—	22	37	59	—	—	—	—	—	—	—	—
Rabbi trust investments subtotal	59	22	37	118	—	—	—	—	—	—	—	—
Total assets	174	22	37	233	223	—	—	223	218	—	—	218
Liabilities												
Deferred compensation obligation	—	(1)	—	(1)	—	—	—	—	—	—	—	—
Total liabilities	—	(1)	—	(1)	—	—	—	—	—	—	—	—
Total net assets	$ 174	$ 21	$ 37	$ 232	$ 223	$ —	$ —	$ 223	$ 218	$ —	$ —	$ 218

(Dollars in millions, except per share data, unless otherwise noted)

	Pepco				DPL				ACE			
As of December 31, 2021	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets												
Cash equivalents[(a)]	$ 31	$ —	$ —	$ 31	$ 43	$ —	$ —	$ 43	$ —	$ —	$ —	$ —
Rabbi trust investments												
Cash equivalents	58	—	—	58	—	—	—	—	—	—	—	—
Life insurance contracts	—	27	35	62	—	—	—	—	—	—	—	—
Rabbi trust investments subtotal	58	27	35	120	—	—	—	—	—	—	—	—
Total assets	89	27	35	151	43	—	—	43	—	—	—	—
Liabilities												
Deferred compensation obligation	—	(2)	—	(2)	—	—	—	—	—	—	—	—
Total liabilities	—	(2)	—	(2)	—	—	—	—	—	—	—	—
Total net assets	$ 89	$ 25	$ 35	$ 149	$ 43	$ —	$ —	$ 43	$ —	$ —	$ —	$ —

(a) PHI excludes cash of $60 million and $100 million as of June 30, 2022 and December 31, 2021, respectively, and restricted cash of $2 million and $3 million as of June 30, 2022 and December 31, 2021, respectively. Pepco excludes cash of $14 million and $34 million as of June 30, 2022 and December 31, 2021, respectively, and restricted cash of $2 million and $3 million as of June 30, 2022 and December 31, 2021, respectively. DPL excludes cash of $26 million and $28 million as of June 30, 2022 and December 31, 2021, respectively. ACE excludes cash of $15 million and $29 million as of June 30, 2022 and December 31, 2021, respectively.

Reconciliation of Level 3 Assets and Liabilities

The following tables present the fair value reconciliation of Level 3 assets and liabilities measured at fair value on a recurring basis during the three and six months ended June 30, 2022 and 2021:

	Exelon	ComEd	PHI and Pepco
Three Months Ended June 30, 2022	Total	Mark-to-Market Derivatives	Life Insurance Contracts
Balance as of April 1, 2022	$ (107)	$ (144)	$ 36
Total realized / unrealized gains			
Included in net income[(a)]	1	—	1
Included in regulatory assets/liabilities	56	56 [(b)]	—
Balance at June 30, 2022	$ (50)	$ (88) [(c)]	$ 37
The amount of total gains included in income attributed to the change in unrealized gains related to assets and liabilities as of June 30, 2022	$ 1	$ —	$ 1

(Dollars in millions, except per share data, unless otherwise noted)

	Exelon	ComEd	PHI and Pepco
Three Months Ended June 30, 2021	Total	Mark-to-Market Derivatives	Life Insurance Contracts
Balance as of April 1, 2021	$ (260)	$ (295)	$ 35
Total realized / unrealized gains			
Included in net income[a]	1	—	1
Included in regulatory assets	30	30 [b]	—
Purchases, sales, and settlements			
Settlements	(2)	—	(2)
Balance as of June 30, 2021	$ (231)	$ (265)	$ 34
The amount of total gains included in income attributed to the change in unrealized gains related to assets and liabilities as of June 30, 2021	$ 1	$ —	$ 1

	Exelon	ComEd	PHI and Pepco
Six months ended June 30, 2022	Total	Mark-to-Market Derivatives	Life Insurance Contracts
Balance as of January 1, 2022	$ (182)	$ (219)	$ 35
Total realized / unrealized gains			
Included in net income[a]	2	—	2
Included in regulatory assets/liabilities	131	131 [b]	—
Transfers out of Level 3	(1)	—	—
Balance as of June 30, 2022	$ (50)	$ (88) [c]	$ 37
The amount of total gains included in income attributed to the change in unrealized gains related to assets and liabilities as of June 30, 2022	$ 2	$ —	$ 2

	Exelon	ComEd	PHI and Pepco
Six Months Ended June 30, 2021	Total	Mark-to-Market Derivatives	Life Insurance Contracts
Balance as of January 1, 2021	$ (267)	$ (301)	$ 34
Total realized / unrealized gains			
Included in net income[a]	2	—	2
Included in regulatory assets	36	36 [b]	—
Purchases, sales, and settlements			
Settlements	(2)	—	(2)
Balance as of June 30, 2021	$ (231)	$ (265)	$ 34
The amount of total gains included in income attributed to the change in unrealized gain related to assets and liabilities as of June 30, 2021	$ 2	$ —	$ 2

(a) Classified in Operating and maintenance expense in the Consolidated Statements of Operations and Comprehensive Income.
(b) Includes $59 million of increases in fair value and a decrease for realized gains due to settlements of $3 million recorded in purchased power expense associated with floating-to-fixed energy swap contracts with unaffiliated suppliers for the three months ended June 30, 2022. Includes $25 million of increases in fair value and an increase for realized losses due to settlements of $5 million recorded in purchased power expense associated with floating-to-fixed energy swap contracts with unaffiliated suppliers for the three months ended June 30, 2021. Includes $128 million of increases in fair value and an increase for realized losses due to settlements of $3 million recorded in purchase power expense associated with floating-to-fixed energy swap contracts with unaffiliated suppliers for the six months ended June 30, 2022. Includes $23 million of increases in fair value and an increase for realized losses due to settlements of $13 million recorded in purchased power expense associated with floating-to-fixed energy swap contracts with unaffiliated suppliers for the six months ended June 30, 2021.
(c) The balance consists of $15 million of current assets and current and noncurrent liability of none and $103 million, respectively, as of June 30, 2022.

(Dollars in millions, except per share data, unless otherwise noted)

Valuation Techniques Used to Determine Fair Value

Exelon's valuation techniques used to measure the fair value of the assets and liabilities shown in the tables below are in accordance with the policies discussed in Note 16 — Fair Value of Financial Assets and Liabilities of the 2021 Recast Form 10-K.

Mark-to-Market Derivatives (Exelon and ComEd)

The table below discloses the significant unobservable inputs to the forward curve used to value mark-to-market derivatives.

Type of trade	Fair Value as of June 30, 2022	Fair Value as of December 31, 2021	Valuation Technique	Unobservable Input	2022 Range & Arithmetic Average				2021 Range & Arithmetic Average			
Mark-to-market derivatives	$ (88)	$ (219)	Discounted Cash Flow	Forward power price[a]	$30.54	-	$89.78	$46.33	$28.65	-	$47.10	$33.96

(a) An increase to the forward power price would increase the fair value.

12. Commitments and Contingencies (All Registrants)

The following is an update to the current status of commitments and contingencies set forth in Note 17 — Commitments and Contingencies of the 2021 Recast Form 10-K.

Commitments

PHI Merger Commitments (Exelon, PHI, Pepco, DPL, and ACE). Approval of the PHI Merger in Delaware, New Jersey, Maryland, and the District of Columbia was conditioned upon Exelon and PHI agreeing to certain commitments. The following amounts represent total commitment costs that have been recorded since the acquisition date and the total remaining obligations for Exelon, PHI, Pepco, DPL, and ACE as of June 30, 2022:

Description	Exelon	PHI	Pepco	DPL	ACE
Total commitments	$ 513	$ 320	$ 120	$ 89	$ 111
Remaining commitments[a]	61	53	44	6	3

(a) Remaining commitments extend through 2026 and include rate credits, energy efficiency programs and delivery system modernization.

In addition, DPL has committed to conducting three RFPs to procure up to a total of 120 MWs of wind RECs for the purpose of meeting Delaware's renewable portfolio standards. DPL has conducted two of the three wind REC RFPs. The first 40 MW wind REC tranche was conducted in 2017 and did not result in a purchase agreement. The second 40 MW wind REC tranche was conducted in 2018 and resulted in a proposed REC purchase agreement that was approved by the DEPSC in 2019. The RFP for the third and final 40 MW wind REC tranche is under way and bids will be evaluated in the third quarter of 2022, with a potential award in the fourth quarter of 2022.

(Dollars in millions, except per share data, unless otherwise noted)

Commercial Commitments (All Registrants). The Registrants' commercial commitments as of June 30, 2022, representing commitments potentially triggered by future events were as follows:

		Expiration within					
	Total	2022	2023	2024	2025	2026	2027 and beyond
Exelon							
Letters of credit	$ 17	$ 8	$ 9	$ —	$ —	$ —	$ —
Surety bonds[a]	185	144	39	2	—	—	—
Financing trust guarantees	378	—	—	—	—	—	378
Guaranteed lease residual values[b]	30	—	2	6	6	5	11
Total commercial commitments	$ 610	$ 152	$ 50	$ 8	$ 6	$ 5	$ 389
ComEd							
Letters of credit	$ 10	$ 4	$ 6	$ —	$ —	$ —	$ —
Surety bonds[a]	16	9	5	2	—	—	—
Financing trust guarantees	200	—	—	—	—	—	200
Total commercial commitments	$ 226	$ 13	$ 11	$ 2	$ —	$ —	$ 200
PECO							
Letters of credit	$ 1	$ —	$ 1	$ —	$ —	$ —	$ —
Surety bonds[a]	3	1	2	—	—	—	—
Financing trust guarantees	178	—	—	—	—	—	178
Total commercial commitments	$ 182	$ 1	$ 3	$ —	$ —	$ —	$ 178
BGE							
Letters of credit	$ 2	$ 2	$ —	$ —	$ —	$ —	$ —
Surety bonds[a]	2	1	1	—	—	—	—
Total commercial commitments	$ 4	$ 3	$ 1	$ —	$ —	$ —	$ —
PHI							
Surety bonds[a]	$ 95	$ 76	$ 19	$ —	$ —	$ —	$ —
Guaranteed lease residual values[b]	30	—	2	6	6	5	11
Total commercial commitments	$ 125	$ 76	$ 21	$ 6	$ 6	$ 5	$ 11
Pepco							
Surety bonds[a]	$ 84	$ 71	$ 13	$ —	$ —	$ —	$ —
Guaranteed lease residual values[b]	10	—	1	2	2	2	3
Total commercial commitments	$ 94	$ 71	$ 14	$ 2	$ 2	$ 2	$ 3
DPL							
Surety bonds[a]	$ 7	$ 3	$ 4	$ —	$ —	$ —	$ —
Guaranteed lease residual values[b]	13	—	—	3	3	2	5
Total commercial commitments	$ 20	$ 3	$ 4	$ 3	$ 3	$ 2	$ 5
ACE							
Surety bonds[a]	$ 4	$ 2	$ 2	$ —	$ —	$ —	$ —
Guaranteed lease residual values[b]	7	—	1	1	1	1	3
Total commercial commitments	$ 11	$ 2	$ 3	$ 1	$ 1	$ 1	$ 3

(a) Surety bonds — Guarantees issued related to contract and commercial agreements, excluding bid bonds.

(b) Represents the maximum potential obligation in the event that the fair value of certain leased equipment and fleet vehicles is zero at the end of the maximum lease term. The lease term associated with these assets ranges from 1 to 8 years. The maximum potential obligation at the end of the minimum lease term would be $74 million guaranteed by Exelon and PHI, of which $24 million, $31 million, and $19 million is guaranteed by Pepco, DPL, and ACE, respectively. Historically, payments under the guarantees have not been made and PHI believes the likelihood of payments being required under the guarantees is remote.

Environmental Remediation Matters

General (All Registrants). The Registrants' operations have in the past, and may in the future, require substantial expenditures to comply with environmental laws. Additionally, under federal and state environmental laws, the Registrants are generally liable for the costs of remediating environmental contamination of property now or formerly owned by them and of property contaminated by hazardous substances generated by them. The Registrants own or lease a number of real estate parcels, including parcels on which their operations or the operations of others may have resulted in contamination by substances that are considered hazardous under environmental laws. In addition, the Registrants are currently involved in a number of proceedings relating to sites where hazardous substances have been deposited and may be subject to additional proceedings in the future. Unless otherwise disclosed, the Registrants cannot reasonably estimate whether they will incur significant liabilities for additional investigation and remediation costs at these or additional sites identified by the Registrants, environmental agencies or others, or whether such costs will be recoverable from third parties, including customers. Additional costs could have a material, unfavorable impact on the Registrants' financial statements.

MGP Sites (All Registrants). ComEd, PECO, BGE, and DPL have identified sites where former MGP or gas purification activities have or may have resulted in actual site contamination. For almost all of these sites, there are additional PRPs that may share responsibility for the ultimate remediation of each location.

- ComEd has 21 sites that are currently under some degree of active study and/or remediation. ComEd expects the majority of the remediation at these sites to continue through at least 2031.
- PECO has 6 sites that are currently under some degree of active study and/or remediation. PECO expects the majority of the remediation at these sites to continue through at least 2023.
- BGE has 4 sites that currently require some level of remediation and/or ongoing activity. BGE expects the majority of the remediation at these sites to continue through at least 2023.
- DPL has 1 site that is currently under study and the required cost at the site is not expected to be material.

The historical nature of the MGP and gas purification sites and the fact that many of the sites have been buried and built over, impacts the ability to determine a precise estimate of the ultimate costs prior to initial sampling and determination of the exact scope and method of remedial activity. Management determines its best estimate of remediation costs using all available information at the time of each study, including probabilistic and deterministic modeling for ComEd and PECO, and the remediation standards currently required by the applicable state environmental agency. Prior to completion of any significant clean up, each site remediation plan is approved by the appropriate state environmental agency.

ComEd, pursuant to an ICC order, and PECO, pursuant to a PAPUC order, are currently recovering environmental remediation costs of former MGP facility sites through customer rates. While BGE and DPL do not have riders for MGP clean-up costs, they have historically received recovery of actual clean-up costs in distribution rates.

(Dollars in millions, except per share data, unless otherwise noted)

As of June 30, 2022 and December 31, 2021, the Registrants had accrued the following undiscounted amounts for environmental liabilities in Accrued expenses, Other current liabilities, and Other deferred credits and other liabilities in their respective Consolidated Balance Sheets:

	June 30, 2022		December 31, 2021	
	Total environmental investigation and remediation liabilities	Portion of total related to MGP investigation and remediation	Total environmental investigation and remediation liabilities	Portion of total related to MGP investigation and remediation
Exelon	$ 347	$ 299	$ 352	$ 303
ComEd	274	273	279	279
PECO	21	20	22	20
BGE	7	6	6	4
PHI	42	—	42	—
Pepco	40	—	40	—
DPL	1	—	1	—
ACE	1	—	1	—

Benning Road Site (Exelon, PHI, and Pepco). In September 2010, PHI received a letter from EPA identifying the Benning Road site as one of six land-based sites potentially contributing to contamination of the lower Anacostia River. A portion of the site, which is owned by Pepco, was formerly the location of an electric generating facility owned by Pepco subsidiary, Pepco Energy Services (PES), which became a part of Generation, following the 2016 merger between PHI and Exelon. This generating facility was deactivated in June 2012. The remaining portion of the site consists of a Pepco transmission and distribution service center that remains in operation. In December 2011, the U.S. District Court for the District of Columbia approved a Consent Decree entered into by Pepco and Pepco Energy Services (hereinafter "Pepco Entities") with the DOEE, which requires the Pepco Entities to conduct a Remedial Investigation and Feasibility Study (RI/FS) for the Benning Road site and an approximately 10 to 15-acre portion of the adjacent Anacostia River. The purpose of this RI/FS is to define the nature and extent of contamination from the Benning Road site and to evaluate remedial alternatives.

Pursuant to an internal agreement between the Pepco Entities, since 2013, Pepco has performed the work required by the Consent Decree and has been reimbursed for that work by an agreed upon allocation of costs between the Pepco Entities. In September 2019, the Pepco Entities issued a draft “final” RI report which DOEE approved on February 3, 2020. The Pepco Entities are developing a FS to evaluate possible remedial alternatives for submission to DOEE. The Court has established a schedule for completion of the FS, and approval by the DOEE, by September 16, 2022. After completion and approval of the FS, DOEE will prepare a Proposed Plan for public comment and then issue a Record of Decision (ROD) identifying any further response actions determined to be necessary. As part of the separation between Exelon and Constellation in February 2022, the internal agreement between the Pepco Entities for completion and payment for the remaining Consent Decree work was memorialized in a formal agreement for post-separation activities. A second post-separation assumption agreement between Exelon and Constellation transferred any of the potential remaining remediation liability, if any, of PES/Generation to a non-utility subsidiary of Exelon which going forward will be responsible for those liabilities. Exelon, PHI, and Pepco have determined that a loss associated with this matter is probable and have accrued an estimated liability, which is included in the table above.

Anacostia River Tidal Reach (Exelon, PHI, and Pepco). Contemporaneous with the Benning Road site RI/FS, being performed by the Pepco Entities, DOEE and National Park Service (NPS) have been conducting a separate RI/FS focused on the entire tidal reach of the Anacostia River extending from just north of the Maryland-District of Columbia boundary line to the confluence of the Anacostia and Potomac Rivers. The river-wide RI incorporated the results of the river sampling performed by the Pepco Entities as part of the Benning RI/FS, as well as similar sampling efforts conducted by owners of other sites adjacent to this segment of the river and supplemental river sampling conducted by DOEE’s contractor.

On September 30, 2020, DOEE released its Interim ROD. The Interim ROD reflects an adaptive management approach which will require several identified “hot spots” in the river to be addressed first while continuing to conduct studies and to monitor the river to evaluate improvements and determine potential future remediation plans. The adaptive management process chosen by DOEE is less intrusive, provides more long-term environmental certainty, is less costly, and allows for site specific remediation plans already underway, including the plan for the Benning Road site to proceed to conclusion.

On July 15, 2022, Pepco received a letter from the District of Columbia's Office of the Attorney General (District) on behalf of DOEE conveying a settlement offer to resolve all PRPs' liability to the District. Pepco responded on July 27, 2022 to enter into settlement discussions. Exelon, PHI, and Pepco have determined that it is probable that costs for remediation will be incurred and have accrued a liability for management's best estimate of its share of the costs. Pepco concluded that incremental exposure remains reasonably possible, but management cannot reasonably estimate a range of loss beyond the amounts recorded, which are included in the table above.

In addition to the activities associated with the remedial process outlined above, CERCLA separately requires federal and state (here including Washington, D.C.) Natural Resource Trustees (federal or state agencies designated by the President or the relevant state, respectively, or Indian tribes) to conduct an assessment of any damages to natural resources within their jurisdiction as a result of the contamination that is being remediated. The Trustees can seek compensation from responsible parties for such damages, including restoration costs. During the second quarter of 2018, Pepco became aware that the Trustees are in the beginning stages of a Natural Resources Damages (NRD) assessment, a process that often takes many years beyond the remedial decision to complete. Pepco has entered into negotiations with the Trustees to evaluate possible incorporation of NRD assessment and restoration as part of its remedial activities associated with the Benning site to accelerate the NRD benefits for that portion of the Anacostia River Sediment Project ("ARSP") assessment. Pepco has concluded that a loss associated with the eventual NRD assessment is reasonably possible. Due to the very early stage of the assessment process, Pepco cannot reasonably estimate the final range of loss potentially resulting from this process.

As noted in the Benning Road Site disclosure above, as part of the separation of Exelon and Constellation in February 2022, an assumption agreement was executed transferring any potential future remediation liabilities associated with the Benning Site remediation to a non-utility subsidiary of Exelon. Similarly, any potential future liability associated with the ARSP was also assumed by this entity.

Litigation and Regulatory Matters

Deferred Prosecution Agreement (DPA) and Related Matters (Exelon and ComEd). Exelon and ComEd received a grand jury subpoena in the second quarter of 2019 from the U.S. Attorney's Office for the Northern District of Illinois (USAO) requiring production of information concerning their lobbying activities in the State of Illinois. On October 4, 2019, Exelon and ComEd received a second grand jury subpoena from the USAO requiring production of records of any communications with certain individuals and entities. On October 22, 2019, the SEC notified Exelon and ComEd that it had also opened an investigation into their lobbying activities. On July 17, 2020, ComEd entered into a DPA with the USAO to resolve the USAO investigation. Under the DPA, the USAO filed a single charge alleging that ComEd improperly gave and offered to give jobs, vendor subcontracts, and payments associated with those jobs and subcontracts for the benefit of the Speaker of the Illinois House of Representatives and the Speaker's associates, with the intent to influence the Speaker's action regarding legislation affecting ComEd's interests. The DPA provides that the USAO will defer any prosecution of such charge and any other criminal or civil case against ComEd in connection with the matters identified therein for a three-year period subject to certain obligations of ComEd, including payment to the U.S. Treasury of $200 million, which was paid in November 2020. Exelon was not made party to the DPA, and therefore the investigation by the USAO into Exelon's activities ended with no charges being brought against Exelon. The SEC's investigation remains ongoing and Exelon and ComEd have cooperated fully and intend to continue to cooperate fully with the SEC. Exelon and ComEd cannot predict the outcome of the SEC investigation. No loss contingency has been reflected in Exelon's and ComEd's consolidated financial statements with respect to the SEC investigation, as this contingency is neither probable nor reasonably estimable at this time.

Subsequent to Exelon announcing the receipt of the subpoenas, various lawsuits were filed, and various demand letters were received related to the subject of the subpoenas, the conduct described in the DPA and the SEC's investigation, including:

- Four putative class action lawsuits against ComEd and Exelon were filed in federal court on behalf of ComEd customers in the third quarter of 2020 alleging, among other things, civil violations of federal racketeering laws. In addition, the Citizens Utility Board (CUB) filed a motion to intervene in these cases on October 22, 2020 which was granted on December 23, 2020. On December 2, 2020, the court appointed interim lead plaintiffs in the federal cases which consisted of counsel for three of the four federal cases. These plaintiffs filed a consolidated complaint on January 5, 2021. CUB also filed its own complaint against ComEd only on the same day. The remaining federal case, Potter, et al. v. Exelon et al, differed from the other lawsuits as it named additional individual defendants not named in the consolidated complaint. However, the Potter plaintiffs voluntarily dismissed their complaint without prejudice on April 5, 2021. ComEd and Exelon moved to dismiss the consolidated class action complaint and CUB's complaint on February 4, 2021 and briefing was completed on March 22, 2021. On March 25, 2021, the parties agreed, along with state court plaintiffs, discussed below, to jointly engage in mediation. The parties participated in a one-day mediation on June 7, 2021 but no settlement was reached. On September 9, 2021, the federal court granted Exelon's and ComEd's motion to dismiss and dismissed the plaintiffs' and CUB's federal law claim with prejudice. The federal court also dismissed the related state law claims made by the federal plaintiffs and CUB on jurisdictional grounds. Plaintiffs appealed dismissal of the federal law claim to the Seventh Circuit Court of Appeals. Plaintiffs and CUB also refiled their state law claims in state court and moved to consolidate them with the already pending consumer state court class action, discussed below. Plaintiffs' opening appeal brief in the Seventh Circuit was filed on January 14, 2022. Exelon and ComEd filed their response brief on March 7, 2022, and plaintiffs filed their reply brief on April 6, 2022. Oral argument was held on May 17, 2022.

- Three putative class action lawsuits against ComEd and Exelon were filed in Illinois state court in the third quarter of 2020 seeking restitution and compensatory damages on behalf of ComEd customers. The cases were consolidated into a single action in October of 2020. In November 2020, CUB filed a motion to intervene in the cases pursuant to an Illinois statute allowing CUB to intervene as a party or otherwise participate on behalf of utility consumers in any proceeding which affects the interest of utility consumers. On November 23, 2020, the court allowed CUB's intervention, but denied CUB's request to stay these cases. Plaintiffs subsequently filed a consolidated complaint, and ComEd and Exelon filed a motion to dismiss on jurisdictional and substantive grounds on January 11, 2021. Briefing on that motion was completed on March 2, 2021. The parties agreed, on March 25, 2021, along with the federal court, plaintiffs discussed above, to jointly engage in mediation. The parties participated in a one-day mediation on June 7, 2021 but no settlement was reached. On December 23, 2021, the state court granted ComEd and Exelon's motion to dismiss with prejudice. On December 30, 2021, plaintiffs filed a motion to reconsider that dismissal and for permission to amend their complaint. The court denied the plaintiffs' motion on January 21, 2022. Plaintiffs have appealed the court's ruling dismissing their complaint to the First District Court of Appeals. On February 15, 2022, Exelon and ComEd moved to dismiss the federal plaintiffs' refiled state law claims, seeking dismissal on the same legal grounds asserted in their motion to dismiss the original state court plaintiffs' complaint. The court granted dismissal of the refiled state claims on February 16, 2022. The original federal plaintiffs appealed that dismissal on February 18, 2022. The two state appeals were consolidated on March 21, 2022. Plaintiffs' opening appellate briefs are currently due August 5, 2022.

- A putative class action lawsuit against Exelon and certain officers of Exelon and ComEd was filed in federal court in December 2019 alleging misrepresentations and omissions in Exelon's SEC filings related to ComEd's lobbying activities and the related investigations. The complaint was amended on September 16, 2020, to dismiss two of the original defendants and add other defendants, including ComEd. Defendants filed a motion to dismiss in November 2020. The court denied the motion in April 2021. On May 26, 2021, defendants moved the court to certify its order denying the motion to dismiss for interlocutory appeal. Briefing on the motion was completed in June 2021. That motion was denied on January 28, 2022. In May 2021, the parties each filed respective initial discovery disclosures. On June 9, 2021, defendants filed their answer and affirmative defenses to the complaint and the parties engaged thereafter in discovery. On September 9, 2021, the U.S. government moved to intervene in the lawsuit and stay discovery until the parties entered into an amendment to their protective order that would prohibit the parties from requesting discovery into certain matters, including communications with the U.S. government. The court ordered said amendment to the protective order on November 15, 2021 and discovery resumed. On February 10, 2022, the court granted an extension of the amendment to the protective order, at the U.S. government's request. The court granted a further extension of the amendment to the protective order and narrowed its scope, at the U.S. government's request, on May 14, 2022. On July 14, 2022, the court further extended the protective order amendment to September 30, 2022 and reset the next court status for August 15, 2022.

- Several shareholders have sent letters to the Exelon Board of Directors from 2020 through May 2022 demanding, among other things, that the Exelon Board of Directors investigate and address alleged breaches of fiduciary duties and other alleged violations by Exelon and ComEd officers and directors related to the conduct described in the DPA. In the first quarter of 2021, the Exelon Board of Directors appointed a Special Litigation Committee (SLC) consisting of disinterested and independent parties to investigate and address these shareholders' allegations and make recommendations to the Exelon Board of Directors based on the outcome of the SLC's investigation. In July 2021, one of the demand letter shareholders filed a derivative action against current and former Exelon and ComEd officers and directors, and against Exelon, as nominal defendant, asserting the same claims made in its demand letter. On October 12, 2021, the parties to the derivative action filed an agreed motion to stay that litigation for 120 days in order to allow the SLC to continue its investigation, which the court granted. On February 3, 2022, the court granted an extension of the stay for another 120 days and directed the parties to file a status report on June 1, 2022. On June 1, 2022, the parties requested a further extension of the stay until September 14, 2022, which the court granted.

- Two separate shareholder requests seeking review of certain Exelon books and records were received in August 2021 and January 2022. Exelon responded to both requests and both shareholders have since sent formal shareholder demands to the Exelon Board, as discussed above.

No loss contingencies have been reflected in Exelon's and ComEd's consolidated financial statements with respect to these matters, as such contingencies are neither probable nor reasonably estimable at this time.

The ICC continues to conduct an investigation into rate impacts of conduct admitted in the DPA initiated on August 12, 2021. On December 16, 2021, ComEd filed direct testimony addressing the costs recovered from customers related to the DPA and Exelon's funding of the fine paid by ComEd. In that testimony, ComEd proposed to voluntarily refund to customers compensation costs of the former officers charged with wrongdoing in connection with events described in the DPA for the period during which those events occurred as well as costs, previously proposed to be returned, of individuals and entities specifically identified in the DPA, as well as individuals and entities who were referred to ComEd as part of the conduct described in the DPA and who failed, during their tenure at ComEd, to perform work to management expectations. The testimony supports the calculation of the refund amount and proposes a refund mechanism (one-time bill credit in April 2023) and also addresses other topics outlined by statute and the ICC orders initiating the investigation. On April 14, 2022, in response to rebuttal testimony from ICC staff and the Illinois Attorney General, City of Chicago, and CUB, ComEd filed surrebuttal testimony, in which ComEd proposed to increase its voluntary customer refund to $38 million, including ICC and FERC jurisdictional amounts and estimated interest, to resolve the issue of the potential expenditure of customer monies on activities identified in the DPA in this matter. An accrual for the amount of the voluntary customer refund has been recorded in Other current liabilities and Other deferred credits and other liabilities in Exelon's and ComEd's Consolidated Balance Sheets as of June 30, 2022. The voluntary customer refund will not be recovered in rates or charged to customers and ComEd will not seek or accept reimbursement or indemnification from any source other than Exelon. The evidentiary hearing on the remaining contested issue was held on April 28, 2022. On June 13, 2022, the ICC Administrate Law Judge issued a proposed order, which accepts ComEd's voluntary customer refund of $38 million and rejects alternative proposals for other larger adjustments to rates. A final order is expected by September 9, 2022.

Savings Plan Claim (Exelon). On December 6, 2021, seven current and former employees filed a putative ERISA class action suit in U.S. District Court for the Northern District of Illinois against Exelon, its Board of Directors, the former Board Investment Oversight Committee, the Corporate Investment Committee, individual defendants, and other unnamed fiduciaries of the Exelon Corporation Employee Savings Plan (Plan). The complaint alleges that the defendants violated their fiduciary duties under the Plan by including certain investment options that allegedly were more expensive than and underperformed similar passively-managed or other funds available in the marketplace and permitting a third-party administrative service provider/recordkeeper and an investment adviser to charge excessive fees for the services provided. The plaintiffs seek declaratory, equitable and monetary relief on behalf of the Plan and participants. On February 16, 2022, the court granted the parties' stipulated dismissal of the individual named defendants without prejudice. The remaining defendants filed a motion to dismiss the complaint on February 25, 2022. The plaintiffs filed their response brief on March 28, 2022 and the defendants filed their reply on April 11, 2022. On March 4, 2022, the Chamber of Commerce filed a brief of amicus curiae in support of the defendants' motion to dismiss. No loss contingencies have been reflected in Exelon's consolidated financial statements with respect to this matter, as such contingencies are neither probable nor reasonably estimable at this time.

(Dollars in millions, except per share data, unless otherwise noted)

General (All Registrants). The Registrants are involved in various other litigation matters that are being defended and handled in the ordinary course of business. The assessment of whether a loss is probable or reasonably possible, and whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events. The Registrants maintain accruals for such losses that are probable of being incurred and subject to reasonable estimation. Management is sometimes unable to estimate an amount or range of reasonably possible loss, particularly where (1) the damages sought are indeterminate, (2) the proceedings are in the early stages, or (3) the matters involve novel or unsettled legal theories. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution of such matters, including a possible eventual loss.

13. Changes in Accumulated Other Comprehensive Income (Exelon)

The following tables present changes in Exelon's AOCI, net of tax, by component:

Three Months Ended June 30, 2022	Cash Flow Hedges	Pension and Non-Pension Postretirement Benefit Plan Items[(a)]	Foreign Currency Items	Total
Balance at March 31, 2022	$ —	$ (713)	$ —	$ (713)
OCI before reclassifications	—	2	—	2
Amounts reclassified from AOCI	—	10	—	10
Net current-period OCI	—	12	—	12
Balance at June 30, 2022	$ —	$ (701)	$ —	$ (701)

Three Months Ended June 30, 2021	Cash Flow Hedges	Pension and Non-Pension Postretirement Benefit Plan Items[(a)]	Foreign Currency Items	Total
Balance at March 31, 2021	$ (5)	$ (3,319)	$ (22)	$ (3,346)
OCI before reclassifications	—	—	2	2
Amounts reclassified from AOCI	—	55	—	55
Net current-period OCI	—	55	2	57
Balance at June 30, 2021	$ (5)	$ (3,264)	$ (20)	$ (3,289)

Six Months Ended June 30, 2022	Cash Flow Hedges	Pension and Non-Pension Postretirement Benefit Plan Items[(a)]	Foreign Currency Items	Total
Balance at December 31, 2021	$ (6)	$ (2,721)	$ (23)	$ (2,750)
Separation of Constellation	6	1,994	23	2,023
OCI before reclassifications	—	2	—	2
Amounts reclassified from AOCI	—	24	—	24
Net current-period OCI	—	26	—	26
Balance at June 30, 2022	$ —	$ (701)	$ —	$ (701)

(Dollars in millions, except per share data, unless otherwise noted)

Six Months Ended June 30, 2021	Cash Flow Hedges	Pension and Non-Pension Postretirement Benefit Plan Items[(a)]	Foreign Currency Items	Total
Balance at December 31, 2020	$ (5)	$ (3,372)	$ (23)	$ (3,400)
OCI before reclassifications	—	(2)	3	1
Amounts reclassified from AOCI	—	110	—	110
Net current-period OCI	—	108	3	111
Balance at June 30, 2021	$ (5)	$ (3,264)	$ (20)	$ (3,289)

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(a) This AOCI component is included in the computation of net periodic pension and OPEB cost. Additionally, as of February 1, 2022, in connection with the separation, Exelon's pension and OPEB plans were remeasured. See Note 8 — Retirement Benefits for additional information. See Exelon's Statements of Operations and Comprehensive Income for individual components of AOCI.

The following table presents income tax benefit (expense) allocated to each component of Exelon's other comprehensive income (loss):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Pension and non-pension postretirement benefit plans:				
Prior service benefit reclassified to periodic benefit cost	$ —	$ 1	$ —	$ 2
Actuarial loss reclassified to periodic benefit cost	(3)	(19)	(8)	(38)
Pension and non-pension postretirement benefit plans valuation adjustment	(1)	(1)	—	(1)

14. Supplemental Financial Information (All Registrants)

Supplemental Statement of Operations Information

The following tables provide additional information about material items recorded in the Registrants' Consolidated Statements of Operations and Comprehensive Income:

(Dollars in millions, except per share data, unless otherwise noted)

	Taxes other than income taxes							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Three Months Ended June 30, 2022								
Utility taxes[(a)]	$ 203	$ 71	$ 39	$ 20	$ 73	$ 67	$ 5	$ 1
Property	94	10	4	46	33	23	10	—
Payroll	28	7	5	4	7	1	1	1
Three Months Ended June 30, 2021								
Utility taxes[(a)]	$ 184	$ 61	$ 32	$ 20	$ 71	$ 65	$ 5	$ —
Property	86	8	4	43	31	20	10	1
Payroll	32	6	4	5	7	1	1	1
Six Months Ended June 30, 2022								
Utility taxes[(a)]	$ 424	$ 149	$ 77	$ 47	$ 151	$ 137	$ 12	$ 2
Property	188	20	9	92	67	46	20	1
Payroll	64	13	8	9	14	3	2	2
Six Months Ended June 30, 2021								
Utility taxes[(a)]	$ 377	$ 121	$ 66	$ 45	$ 145	$ 132	$ 11	$ 1
Property	173	16	9	85	63	42	19	1
Payroll	64	13	8	9	14	3	3	2

(a) The Registrants' utility taxes represent municipal and state utility taxes and gross receipts taxes related to their operating revenues. The offsetting collection of utility taxes from customers is recorded in revenues in the Registrants' Consolidated Statements of Operations and Comprehensive Income.

	Other, Net							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Three Months Ended June 30, 2022								
AFUDC — Equity	$ 38	$ 9	$ 8	$ 6	$ 15	$ 11	$ 2	$ 2
Non-service net periodic benefit cost	16	—	—	—	—	—	—	—
Three Months Ended June 30, 2021								
AFUDC — Equity	$ 34	$ 9	$ 6	$ 7	$ 12	$ 10	$ 1	$ 1
Non-service net periodic benefit cost	26	—	—	—	—	—	—	—
Six Months Ended June 30, 2022								
AFUDC — Equity	$ 74	$ 17	$ 15	$ 12	$ 30	$ 22	$ 4	$ 4
Non-service net periodic benefit cost	33	—	—	—	—	—	—	—
Six Months Ended June 30, 2021								
AFUDC — Equity	$ 64	$ 13	$ 12	$ 14	$ 25	$ 20	$ 3	$ 2
Non-service net periodic benefit cost	46	—	—	—	—	—	—	—

Supplemental Cash Flow Information

The following tables provide additional information about material items recorded in the Registrants' Consolidated Statements of Cash Flows.

(Dollars in millions, except per share data, unless otherwise noted)

	Depreciation and amortization							
	Exelon[(a)]	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Six Months Ended June 30, 2022								
Property, plant, and equipment[(b)]	$ 1,376	$ 511	$ 177	$ 235	$ 335	$ 145	$ 92	$ 83
Amortization of regulatory assets[(b)]	357	138	8	87	124	68	21	35
Amortization of intangible assets, net[(b)]	8	—	—	—	—	—	—	—
Amortization of energy contract assets and liabilities[(c)]	3	—	—	—	—	—	—	—
Nuclear fuel[(d)]	66	—	—	—	—	—	—	—
ARO accretion[(e)]	44	—	—	—	—	—	—	—
Total depreciation, amortization, and accretion	$ 1,854	$ 649	$ 185	$ 322	$ 459	$ 213	$ 113	$ 118
Six Months Ended June 30, 2021								
Property, plant, and equipment[(b)]	$ 3,043	$ 480	$ 165	$ 215	$ 309	$ 135	$ 84	$ 76
Amortization of regulatory assets[(b)]	291	109	8	78	95	64	20	11
Amortization of intangible assets, net[(b)]	29	—	—	—	—	—	—	—
Amortization of energy contract assets and liabilities[(c)]	13	—	—	—	—	—	—	—
Nuclear fuel[(d)]	549	—	—	—	—	—	—	—
ARO accretion[(e)]	255	—	—	—	—	—	—	—
Total depreciation, amortization, and accretion	$ 4,180	$ 589	$ 173	$ 293	$ 404	$ 199	$ 104	$ 87

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(a) Exelon's amounts include amounts related to Generation prior to the separation. See Note 2 — Discontinued Operations for additional information.
(b) Included in Depreciation and amortization in the Registrants' Consolidated Statements of Operations and Comprehensive Income.
(c) Included in Operating revenues or Purchased power and fuel expense in Exelon's Consolidated Statements of Operations and Comprehensive Income.
(d) Included in Purchased fuel expense in Exelon's Consolidated Statement of Operations and Comprehensive Income.
(e) Included in Operating and maintenance expense in Exelon's Consolidated Statement of Operations and Comprehensive Income.

(Dollars in millions, except per share data, unless otherwise noted)

	Other non-cash operating activities							
	Exelon[(a)]	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Six Months Ended June 30, 2022								
Pension and non-pension postretirement benefit costs	$ 86	$ 30	$ (4)	$ 22	$ 26	$ 4	$ 2	$ 6
Allowance for credit losses	96	29	21	18	29	16	6	7
Other decommissioning-related activity	36	—	—	—	—	—	—	—
Energy-related options	60	—	—	—	—	—	—	—
True-up adjustments to decoupling mechanisms and formula rates[(b)]	(27)	(75)	(6)	32	22	7	3	12
Long-term incentive plan	40	—	—	—	—	—	—	—
Amortization of operating ROU asset	38	1	—	14	14	4	4	2
AFUDC — Equity	(74)	(17)	(15)	(12)	(30)	(22)	(4)	(4)
Six Months Ended June 30, 2021								
Pension and non-pension postretirement benefit costs	$ 196	$ 64	$ 4	$ 29	$ 24	$ 3	$ 1	$ 5
Allowance for credit losses	100	24	17	4	9	5	2	2
Other decommissioning-related activity	(636)	—	—	—	—	—	—	—
Energy-related options	20	—	—	—	—	—	—	—
True-up adjustments to decoupling mechanisms and formula rates[(b)]	(176)	(64)	(17)	(8)	(88)	(46)	(19)	(23)
Long-term incentive plan	62	—	—	—	—	—	—	—
Amortization of operating ROU asset	83	1	—	15	14	3	5	2
AFUDC — Equity	(64)	(13)	(12)	(14)	(25)	(20)	(3)	(2)

(a) Exelon's amounts include amounts related to Generation prior to the separation. See Note 2 — Discontinued Operations for additional information.
(b) For ComEd, reflects the true-up adjustments in regulatory assets and liabilities associated with its distribution, energy efficiency, distributed generation, and transmission formula rates. For BGE, Pepco, DPL, and ACE, reflects the change in regulatory assets and liabilities associated with their decoupling mechanisms and transmission formula rates. For PECO, reflects the change in regulatory assets and liabilities associated with its transmission formula rates. See Note 3 — Regulatory Matters of the 2021 Recast Form 10-K for additional information.

(Dollars in millions, except per share data, unless otherwise noted)

The following tables provide a reconciliation of cash, cash equivalents, and restricted cash reported within the Registrants' Consolidated Balance Sheets that sum to the total of the same amounts in their Consolidated Statements of Cash Flows.

	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
June 30, 2022								
Cash and cash equivalents	$ 816	$ 120	$ 23	$ 354	$ 278	$ 14	$ 26	$ 233
Restricted cash and cash equivalents	961	384	9	205	341	117	223	—
Restricted cash included in other long-term assets	59	59	—	—	—	—	—	—
Total cash, restricted cash, and cash equivalents	$ 1,836	$ 563	$ 32	$ 559	$ 619	$ 131	$ 249	$ 233
December 31, 2021								
Cash and cash equivalents	$ 672	$ 131	$ 36	$ 51	$ 136	$ 34	$ 28	$ 29
Restricted cash and cash equivalents	321	210	8	4	77	34	43	—
Restricted cash included in other long-term assets	44	43	—	—	—	—	—	—
Cash, restricted cash, and cash equivalents from discontinued operations	582	—	—	—	—	—	—	—
Total cash, restricted cash, and cash equivalents	$ 1,619	$ 384	$ 44	$ 55	$ 213	$ 68	$ 71	$ 29
June 30, 2021								
Cash and cash equivalents	$ 1,578	$ 71	$ 376	$ 368	$ 61	$ 17	$ 17	$ 11
Restricted cash and cash equivalents	379	240	8	3	42	33	5	3
Restricted cash included in other long-term assets	52	43	—	—	9	—	—	9
Total cash, restricted cash, and cash equivalents[(a)]	$ 2,009	$ 354	$ 384	$ 371	$ 112	$ 50	$ 22	$ 23
December 31, 2020								
Cash and cash equivalents	$ 432	$ 83	$ 19	$ 144	$ 111	$ 30	$ 15	$ 17
Restricted cash and cash equivalents	349	279	7	1	39	35	—	3
Restricted cash included in other long-term assets	53	43	—	—	10	—	—	10
Cash, restricted cash, and cash equivalents from discontinued operations	332	—	—	—	—	—	—	—
Total cash, restricted cash, and cash equivalents	$ 1,166	$ 405	$ 26	$ 145	$ 160	$ 65	$ 15	$ 30

(a) Exelon's amounts include amounts related to Generation prior to the separation. See Note 2 — Discontinued Operations for additional information.

For additional information on restricted cash see Note 1 — Significant Accounting Policies of the 2021 Recast Form 10-K.

(Dollars in millions, except per share data, unless otherwise noted)

Supplemental Balance Sheet Information

The following table provides additional information about material items recorded in the Registrants' Consolidated Balance Sheets.

	Accrued expenses							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
June 30, 2022								
Compensation-related accruals[(a)]	$ 428	$ 109	$ 57	$ 54	$ 82	$ 26	$ 16	$ 13
Taxes accrued	243	94	60	31	84	57	12	11
Interest accrued	331	124	40	44	59	31	9	14
December 31, 2021								
Compensation-related accruals[(a)]	$ 596	$ 155	$ 77	$ 78	$ 113	$ 35	$ 20	$ 17
Taxes accrued	253	94	14	53	96	88	9	11
Interest accrued	297	116	41	44	52	28	8	11

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(a) Primarily includes accrued payroll, bonuses and other incentives, vacation, and benefits.

15. Related Party Transactions (All Registrants)

Utility Registrants' expense with Generation

The Utility Registrants incurred expenses from transactions with the Generation affiliate as described in the footnotes to the table below prior to separation on February 1, 2022. Such expenses were primarily recorded as Purchased power from affiliates and an immaterial amount recorded as Operating and maintenance expense from affiliates at the Utility Registrants:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
ComEd[(a)]	$ —	$ 78	$ 59	$ 163
PECO[(b)]	—	41	33	83
BGE[(c)]	—	58	18	130
PHI	—	77	51	176
Pepco[(d)]	—	55	39	130
DPL[(e)]	—	17	10	37
ACE[(f)]	—	5	2	9

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(a) ComEd had an ICC-approved RFP contract with Generation to provide a portion of ComEd's electric supply requirements. ComEd also purchased RECs and ZECs from Generation.
(b) PECO received electric supply from Generation under contracts executed through PECO's competitive procurement process. In addition, PECO had a ten-year agreement with Generation to sell solar AECs.
(c) BGE received a portion of its energy requirements from Generation under its MDPSC-approved market-based SOS and gas commodity programs.
(d) Pepco received electric supply from Generation under contracts executed through Pepco's competitive procurement process approved by the MDPSC and DCPSC.
(e) DPL received a portion of its energy requirements from Generation under its MDPSC and DEPSC approved market-based SOS commodity programs.
(f) ACE received electric supply from Generation under contracts executed through ACE's competitive procurement process approved by the NJBPU.

(Dollars in millions, except per share data, unless otherwise noted)

Service Company Costs for Corporate Support

The Registrants receive a variety of corporate support services from BSC. Pepco, DPL, and ACE also receive corporate support services from PHISCO. See Note 1 — Significant Accounting Policies for additional information regarding BSC and PHISCO.

The following table presents the service company costs allocated to the Registrants:

	Operating and maintenance from affiliates				Capitalized costs			
	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021	2022	2021	2022	2021
Exelon								
BSC					$ 139	$ 114	$ 344	$ 249
PHISCO					21	17	40	36
ComEd								
BSC	$ 80	$ 72	$ 165	$ 143	67	45	152	102
PECO								
BSC	47	40	96	80	20	17	56	44
BGE								
BSC	51	45	102	88	22	20	60	43
PHI								
BSC	46	37	96	76	30	32	76	60
PHISCO	—	—	—	—	21	17	40	36
Pepco								
BSC	27	23	56	45	11	13	28	25
PHISCO	29	28	58	57	8	7	16	15
DPL								
BSC	17	15	35	29	9	10	23	19
PHISCO	25	24	49	49	7	5	13	11
ACE								
BSC	14	12	29	24	10	8	25	15
PHISCO	22	21	43	43	6	5	11	10

(Dollars in millions, except per share data, unless otherwise noted)

Current Receivables from/Payables to affiliates

The following tables present current receivables from affiliates and current payables to affiliates:

June 30, 2022

	Receivables from affiliates:									
Payables to affiliates:	**ComEd**	**PECO**	**BGE**	**Pepco**	**DPL**	**ACE**	**BSC**	**PHISCO**	**Other**	**Total**
ComEd		$ —	$ —	$ —	$ —	$ —	$ 57	$ —	$ 8	$ 65
PECO	$ —		—	—	—	—	25	—	4	29
BGE	—	—		—	—	—	28	—	2	30
PHI	—	—	—	—	—	—	5	—	10	15
Pepco	—	—	—		—	1	14	13	1	29
DPL	—	—	—	9		—	9	10	1	29
ACE	—	—	—	—	—		9	10	1	20
Other	3	—	—	—	—	—	—	—		3
Total	$ 3	$ —	$ —	$ 9	$ —	$ 1	$ 147	$ 33	$ 27	$ 220

December 31, 2021

	Receivables from affiliates:										
Payables to affiliates:	**ComEd**	**PECO**	**BGE**	**Pepco**	**DPL**	**ACE**	**Generation**	**BSC**	**PHISCO**	**Other**	**Total**
ComEd		$ —	$ —	$ —	$ —	$ —	$ 41	$ 71	$ —	$ 9	$ 121
PECO	$ —		—	—	—	—	30	36	—	4	70
BGE	—	—		—	—	—	4	41	—	3	48
PHI	—	1	—	—	—	1	—	5	—	9	16
Pepco	—	—	1		1	1	20	21	12	3	59
DPL	—	—	—	—		—	4	17	11	1	33
ACE	—	—	—	—	—		7	13	9	2	31
Generation	13	—	—	—	—	—		102	—	16	131
Other	3	—	—	—	—	—	11	—	—		14
Total	$ 16	$ 1	$ 1	$ —	$ 1	$ 2	$ 117	$ 306	$ 32	$ 47	$ 523

Borrowings from Exelon/PHI intercompany money pool

To provide an additional short-term borrowing option that will generally be more favorable to the borrowing participants than the cost of external financing both Exelon and PHI operate an intercompany money pool. ComEd, PECO, and PHI Corporate participate in the Exelon money pool. Pepco, DPL, and ACE participate in the PHI intercompany money pool.

Noncurrent Receivables from affiliates

ComEd and PECO have noncurrent receivables with Generation as a result of the nuclear decommissioning contractual construct whereby, to the extent NDT funds are greater than the underlying ARO at the end of decommissioning, such amounts are due back to ComEd and PECO, as applicable, for payment to their respective customers. The receivables are recorded in Receivable related to Regulatory Agreement Units as of June 30, 2022 and in noncurrent Receivables from affiliates as of December 31, 2021. See Note 3 — Regulatory Matters of the Combined Notes to Consolidated Financial Statements of the 2021 Recast Form 10-K for additional information.

Long-term debt to financing trusts

The following table presents Long-term debt to financing trusts:

(Dollars in millions, except per share data, unless otherwise noted)

	June 30, 2022			December 31, 2021		
	Exelon	ComEd	PECO	Exelon	ComEd	PECO
ComEd Financing III	$ 206	$ 205	$ —	$ 206	$ 205	$ —
PECO Trust III	81	—	81	81	—	81
PECO Trust IV	103	—	103	103	—	103
Total	$ 390	$ 205	$ 184	$ 390	$ 205	$ 184

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars in millions except per share data, unless otherwise noted)

Exelon

Executive Overview

Exelon is a utility services holding company engaged in the energy distribution and transmission businesses through ComEd, PECO, BGE, Pepco, DPL, and ACE.

Exelon has six reportable segments consisting of ComEd, PECO, BGE, Pepco, DPL, and ACE. See Note 1 — Significant Accounting Policies and Note 5 — Segment Information of the Combined Notes to Consolidated Financial Statements for additional information regarding Exelon's principal subsidiaries and reportable segments.

Exelon's consolidated financial information includes the results of its seven separate operating subsidiary registrants, ComEd, PECO, BGE, PHI, Pepco, DPL, and ACE, which, along with Exelon, are collectively referred to as the Registrants. The following combined Management's Discussion and Analysis of Financial Condition and Results of Operations is separately filed by Exelon, ComEd, PECO, BGE, PHI, Pepco, DPL, and ACE. However, none of the Registrants makes any representation as to information related solely to any of the other Registrants.

Financial Results of Operations

GAAP Results of Operations. The following table sets forth Exelon's GAAP consolidated Net income attributable to common shareholders from continuing operations and the Utility Registrants' Net income for the three and six months ended June 30, 2022 compared to the same period in 2021. For additional information regarding the financial results for the three and six months ended June 30, 2022 and 2021 see the discussions of Results of Operations by Registrant.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	Favorable (Unfavorable) Variance	2022	2021	Favorable (Unfavorable) Variance
Exelon	$ 465	$ 326	$ 139	$ 946	$ 851	$ 95
ComEd	227	192	35	415	390	25
PECO	133	104	29	339	271	68
BGE	37	45	(8)	234	254	(20)
PHI	100	141	(41)	230	269	(39)
Pepco	70	75	(5)	116	134	(18)
DPL	21	30	(9)	77	86	(9)
ACE	11	37	(26)	37	51	(14)
Other[(a)]	(32)	(156)	124	(272)	(333)	61

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(a) Primarily includes eliminating and consolidating adjustments, Exelon's corporate operations, shared service entities and other financing and investing activities.

The separation of Constellation, including Generation and its subsidiaries, meets the criteria for discontinued operations and as such, Generation's results of operations are presented as discontinued operations and have been excluded from Exelon's continuing operations for all periods presented.

Accounting rules require that certain BSC costs previously allocated to Generation be presented as part of Exelon's continuing operations as these costs do not qualify as expenses of the discontinued operations. Such costs are included in Other in the table above. See further discussion below.

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021. **Net income attributable to common shareholders from continuing operations** increased by $139 million and diluted earnings per average common share from continuing operations increased to $0.47 in 2022 from $0.33 in 2021 primarily due to:

- Higher electric distribution earnings from higher allowed electric distribution ROE due to an increase in treasury rates and higher rate base at ComEd;
- The favorable impacts of rate increases at PECO, BGE, and PHI; and
- Lower BSC costs, which were previously allocated to Generation but do not qualify as expenses of the discontinued operations per the accounting rules. Such costs, on a pre-tax basis, were $99 million for the three months ended June 30, 2021.

The increases were partially offset by:

- The absence of favorable weather and volume as a result of the CIP at ACE;
- Higher depreciation expense at BGE and PHI;
- Higher credit loss expense at PHI; and
- Higher interest expense at Exelon Corporate.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021. **Net income attributable to common shareholders from continuing operations** increased by $95 million and diluted earnings per average common share from continuing operations increased to $0.96 in 2022 from $0.87 in 2021 primarily due to:

- Higher electric distribution earnings from higher allowed electric distribution ROE due to an increase in treasury rates and higher rate base at ComEd;
- The favorable impacts of rate increases at PECO, BGE, and PHI;
- Lower BSC costs presented in Exelon's continuing operations, which were previously allocated to Generation but do not qualify as expenses of the discontinued operation per the accounting rules. Such costs, on a pre-tax basis, were $28 million for the period in 2022 prior to the separation on February 1, 2022 (January 1, 2022 to January 31, 2022) and $206 million for the six months ended June 30, 2021.

The increases were partially offset by:

- An income tax expense recorded in connection with the separation primarily due to the long-term marginal state income tax rate change, the recognition of valuation allowances against the net deferred tax assets positions for certain standalone state filing jurisdictions, and nondeductible transaction costs partially offset by a one-time impact associated with a state tax benefit;
- The absence of favorable weather and volume as a result of the CIP at ACE;
- Higher depreciation expense at PECO, BGE, and PHI;
- Higher credit loss expense at BGE and PHI;
- Higher storm costs at PHI; and
- Higher interest expense at PHI and Exelon Corporate.

Adjusted (non-GAAP) Operating Earnings. In addition to net income, Exelon evaluates its operating performance using the measure of Adjusted (non-GAAP) operating earnings because management believes it represents earnings directly related to the ongoing operations of the business. Adjusted (non-GAAP) operating earnings exclude certain costs, expenses, gains and losses, and other specified items. This information is intended to enhance an investor's overall understanding of year-to-year operating results and provide an indication of Exelon's baseline operating performance excluding items that are considered by management to be not directly related to the ongoing operations of the business. In addition, this 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. Adjusted (non-GAAP) operating earnings is not a presentation defined under GAAP and may not be comparable to other companies' presentations or deemed more useful than the GAAP information provided elsewhere in this report.

The following tables provide a reconciliation between net income attributable to common shareholders from continuing operations as determined in accordance with GAAP and adjusted (non-GAAP) operating earnings for the three and six months ended June 30, 2022 compared to the same period in 2021.

	Three Months Ended June 30,			
	2022		2021	
(In millions, except per share data)		Earnings per Diluted Share		Earnings per Diluted Share
Net Income Attributable to Common Shareholders from Continuing Operations	$ 465	$ 0.47	$ 326	$ 0.33
Mark-to-Market Impact of Economic Hedging Activities (net of taxes of $1)	—	—	3	—
Cost Management Program (net of taxes of $0)	—	—	1	—
COVID-19 Direct Costs (net of taxes of $1)[(a)]	—	—	4	—
Acquisition Related Costs (net of taxes of $1)[(b)]	—	—	2	—
ERP System Implementation Costs (net of taxes $1)[(c)]	—	—	2	—
Separation Costs (net of taxes of $4 and $6, respectively)[(d)]	10	0.01	10	0.01
Income Tax-Related Adjustments (entire amount represents tax expense)[(e)]	(43)	(0.04)	—	—
Adjusted (non-GAAP) Operating Earnings	$ 433	$ 0.44	$ 348	$ 0.36

	Six Months Ended June 30,			
	2022		2021	
(In millions, except per share data)		Earnings per Diluted Share		Earnings per Diluted Share
Net Income Attributable to Common Shareholders from Continuing Operations	$ 946	$ 0.96	$ 851	$ 0.87
Mark-to-Market Impact of Economic Hedging Activities (net of taxes of $1)	—	—	3	—
Cost Program Management (net of taxes of $0)	—	—	1	—
COVID-19 Direct Costs (net of taxes of $3) [(a)]	—	—	5	0.01
Acquisition Related Costs (net of taxes of $3)[(b)]	—	—	7	0.01
ERP System Implementation Costs (net of taxes of $0 and $1, respectively)[(c)]	1	—	7	0.01
Separation Costs (net of taxes of $11 and $6, respectively)[(d)]	27	0.03	15	0.02
Income Tax-Related Adjustments (entire amount represents tax expense)[(f)]	92	0.09	(2)	—
Adjusted (non-GAAP) Operating Earnings	$ 1,065	$ 1.08	$ 887	$ 0.91

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Note:
Amounts may not sum due to rounding.
Unless otherwise noted, the income tax impact of each reconciling item between GAAP Net Income from Continuing Operations and Adjusted (non-GAAP) Operating Earnings is based on the marginal statutory federal and state income tax rates for each Registrant, taking into account whether the income or expense item is taxable or deductible, respectively, in whole or in part. The marginal statutory income tax rates for 2022 and 2021 ranged from 24.0% to 29.0%.

(a) Represents direct costs related to COVID-19 consisting primarily of costs to acquire personal protective equipment, costs for cleaning supplies and services, and costs to hire healthcare professionals to monitor the health of employees, which are recorded in Operating and maintenance expense.
(b) Reflects certain BSC costs related to the acquisition of Electricite de France SA's (EDF's) interest in CENG, which was completed in the third quarter of 2021, that were historically allocated to Constellation Energy Generation, LLC

(Generation) but are presented as part of continuing operations in Exelon's results as these costs do not qualify as expenses of the discontinued operations per the accounting rules.
(c) Reflects costs related to a multi-year Enterprise Resource Program (ERP) system implementation, which are recorded in Operating and maintenance expense.
(d) Represents costs related to the separation primarily comprised of system-related costs, third-party costs paid to advisors, consultants, lawyers, and other experts assisting in the separation, and employee-related severance costs, which are recorded in Operating and maintenance expense.
(e) In connection with the separation, Exelon recorded a one-time impact associated with a state tax benefit.
(f) In connection with the separation, Exelon recorded an income tax expense primarily due to the long-term marginal state income tax rate change, the recognition of valuation allowances against the net deferred tax assets positions for certain standalone state filing jurisdictions, and nondeductible transaction costs partially offset by a one-time impact associated with a state tax benefit.

Significant 2022 Transactions and Developments

Separation

On February 21, 2021, Exelon's Board of Directors approved a plan to separate the Utility Registrants and Generation, creating two publicly traded companies ("the separation"). Exelon completed the separation on February 1, 2022. Constellation was newly formed and incorporated in Pennsylvania on June 15, 2021 for the purpose of separation and holds Generation. The separation represented a strategic shift that would have a major effect on Exelon's operations and financial results. Accordingly, the separation meets the criteria for discontinued operations. See Note 2 — Discontinued Operations of the Combined Notes to Consolidated Financial Statements for additional information on the separation and discontinued operations.

In connection with the separation, Exelon incurred separation costs impacting continuing operations of $14 million and $16 million on a pre-tax basis for the three months ended June 30, 2022 and 2021, respectively, and $38 million and $21 million on a pre-tax basis for the six months ended June 30, 2022 and 2021, respectively, which are recorded in Operating and maintenance expense. Total separation costs impacting continuing operations for the remainder of 2022 are not expected to be material. These costs are excluded from Adjusted (non-GAAP) Operating Earnings. The separation costs are primarily comprised of system-related costs, third-party costs paid to advisors, consultants, lawyers, and other experts assisting in the separation, and employee-related severance costs.

Distribution Base Rate Case Proceedings

The Utility Registrants file base rate cases with their regulatory commissions seeking increases or decreases to their electric transmission and distribution, and gas distribution rates to recover their costs and earn a fair return on their investments. The outcomes of these regulatory proceedings impact the Utility Registrants' current and future financial statements.

The following tables show the Utility Registrants' completed and pending distribution base rate case proceedings in 2022. See Note 3 — Regulatory Matters of the Combined Notes to Consolidated Financial Statements for additional information.

Completed Distribution Base Rate Case Proceedings

Registrant/Jurisdiction	Filing Date	Service	Requested Revenue Requirement Increase	Approved Revenue Requirement Increase	Approved ROE	Approval Date	Rate Effective Date
ComEd - Illinois	April 16, 2021	Electric	$ 51	$ 46	7.36 %	December 1, 2021	January 1, 2022
PECO - Pennsylvania	March 30, 2021	Electric	246	132	N/A	November 18, 2021	January 1, 2022
BGE - Maryland	May 15, 2020 (amended September 11, 2020)	Electric	203	140	9.50 %	December 16, 2020	January 1, 2021
		Natural Gas	108	74	9.65 %		
Pepco - District of Columbia	May 30, 2019 (amended June 1, 2020)	Electric	136	109	9.275 %	June 8, 2021	July 1, 2021
Pepco - Maryland	October 26, 2020 (amended March 31, 2021)	Electric	104	52	9.55 %	June 28, 2021	June 28, 2021
DPL - Maryland	September 1, 2021 (amended December 23, 2021)	Electric	27	13	9.60 %	March 2, 2022	March 2, 2022
ACE - New Jersey	December 9, 2020 (amended February 26, 2021)	Electric	67	41	9.60 %	July 14, 2021	January 1, 2022

Pending Distribution Base Rate Case Proceedings

Registrant/Jurisdiction	Filing Date	Service	Requested Revenue Requirement Increase	Requested ROE	Expected Approval Timing
ComEd - Illinois	April 15, 2022	Electric	$ 199	7.85 %	Fourth quarter of 2022
PECO - Pennsylvania	March 31, 2022	Natural Gas	82	10.95 %	Fourth quarter of 2022
DPL - Delaware	January 14, 2022 (amended February 28, 2022)	Natural Gas	15	10.30 %	First quarter of 2023
DPL - Maryland	May 19, 2022	Electric	38	10.25 %	Fourth quarter of 2022

Transmission Formula Rates

For 2022, the following total increases/(decreases) were included in the Utility Registrants' electric transmission formula rate updates. See Note 3 — Regulatory Matters of the Combined Notes to Consolidated Financial Statements for additional information.

Registrant	Initial Revenue Requirement Increase	Annual Reconciliation (Decrease) Increase	Total Revenue Requirement Increase	Allowed Return on Rate Base	Allowed ROE
ComEd	$ 24	$ (24)	$ —	8.11 %	11.50 %
PECO	23	16	39	7.30 %	10.35 %
BGE	25	(4)	16	7.30 %	10.50 %
Pepco	16	15	31	7.60 %	10.50 %
DPL	9	2	11	7.09 %	10.50 %
ACE	21	13	34	7.18 %	10.50 %

Pennsylvania Corporate Income Tax Rate Change

On July 8, 2022, Pennsylvania enacted House Bill 1342, which will permanently reduce the corporate income tax rate from 9.99% to 4.99%. The tax rate will be reduced to 8.99% for the 2023 tax year. Starting with the 2024 tax year, the rate is reduced by 0.5% annually until it reaches 4.99% in 2031. As a result of the rate change, in the third quarter of 2022, Exelon and PECO will record an estimated one-time decrease to deferred income taxes of $390 million with a corresponding decrease to the deferred income taxes regulatory asset of $428 million for the amounts that are expected to be settled through future customer rates and an increase to income tax expense of $38 million (net of federal taxes), which will be excluded from Adjusted (non-GAAP) Operating Earnings. See Note 7 — Income Taxes of the Combined Notes to Consolidated Financial Statements for additional information.

Other Key Business Drivers and Management Strategies

The following discussion of other key business drivers and management strategies includes current developments of previously disclosed matters and new issues arising during the period that may impact future financial statements. This section should be read in conjunction with ITEM 1. Business in the 2021 Form 10-K, ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Other Key Business Drivers and Management Strategies in the 2021 Recast Form 10-K, and Note 12 — Commitments and Contingencies of the Combined Notes to Consolidated Financial Statements in this report for additional information on various environmental matters.

Legislative and Regulatory Developments

Infrastructure Investment and Jobs Act

On November 15, 2021, President Biden signed the $1.2 trillion Infrastructure Investment and Jobs Act (IIJA) into law. IIJA provides for approximately $550 billion in new federal spending. Categories of funding include funding for a variety of infrastructure needs, including but not limited to: (1) power and grid reliability and resilience, (2) resilience for cybersecurity to address critical infrastructure needs, and (3) electric vehicle charging infrastructure for alternative fuel corridors. Federal agencies are in the process of developing guidelines to implement spending programs under IIJA. The time needed to develop these guidelines will vary with some limited program applications opened as early as the first quarter of 2022. The Registrants are analyzing the legislation and considering possible opportunities to apply for funding, either directly or in potential collaborations with state and/or local agencies and key stakeholders. The Registrants cannot predict the ultimate timing and success of securing funding from programs under IIJA.

Inflation Reduction Act

On July 27, 2022, the Inflation Reduction Act was introduced in the U.S. Senate. The bill extends tax benefits for renewable technologies like solar and wind and it creates new tax benefits for alternative clean energy sources like nuclear and hydrogen and it focuses on energy efficiency, electrification, and equity. However, the bill also implements a new 15% corporate minimum tax based on modified GAAP net income. Exelon estimates the bill could result in an increase in cash taxes for Exelon of approximately $300 million per year starting in 2023 if enacted as proposed. Exelon is continuing to assess the impacts of the bill on the financial statements. Exelon is working with legislators and cannot predict the outcome of the proposed legislation.

Critical Accounting Policies and Estimates

Management of each of the Registrants makes a number of significant estimates, assumptions, and judgments in the preparation of its financial statements. At June 30, 2022, the Registrants' critical accounting policies and estimates had not changed significantly from December 31, 2021. See ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Critical Accounting Policies and Estimates in the 2021 Recast Form 10-K for further information.

Results of Operations by Registrant

Results of Operations — ComEd

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Favorable (Unfavorable) Variance	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021	Favorable (Unfavorable) Variance
Operating revenues	$ 1,425	$ 1,517	$ (92)	$ 3,158	$ 3,052	$ 106
Operating expenses						
Purchased power	283	500	217	921	1,025	104
Operating and maintenance	338	323	(15)	689	639	(50)
Depreciation and amortization	328	296	(32)	649	589	(60)
Taxes other than income taxes	90	77	(13)	185	153	(32)
Total operating expenses	1,039	1,196	157	2,444	2,406	(38)
Loss on sales of assets	(2)	—	(2)	(2)	—	(2)
Operating income	384	321	63	712	646	66
Other income and (deductions)						
Interest expense, net	(104)	(98)	(6)	(204)	(193)	(11)
Other, net	13	15	(2)	26	22	4
Total other income and (deductions)	(91)	(83)	(8)	(178)	(171)	(7)
Income before income taxes	293	238	55	534	475	59
Income taxes	66	46	(20)	119	85	(34)
Net income	$ 227	$ 192	$ 35	$ 415	$ 390	$ 25

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021. **Net income** increased by $35 million as compared to the same period in 2021, primarily due to increases in electric distribution formula rate earnings (reflecting higher allowed electric distribution ROE due to an increase in treasury rates and the impacts of higher rate base).

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021. **Net income** increased by $25 million as compared to the same period in 2021, primarily due to increases in electric distribution formula rate earnings (reflecting higher allowed electric distribution ROE due to an increase in treasury rates and the impacts of higher rate base) partially offset by the voluntary customer refund related to the ICC investigation of matters identified in the Deferred Prosecution Agreement. See Note 12 — Commitments and Contingencies of the Combined Notes to Consolidated Financial Statements for additional information.

The changes in **Operating revenues** consisted of the following:

	Three Months Ended June 30, 2022 Increase (Decrease)	Six Months Ended June 30, 2022 Increase (Decrease)
Distribution	$ 65	$ 110
Transmission	17	38
Energy efficiency	14	20
Other	—	3
	96	171
Regulatory required programs	(188)	(65)
Total increase	$ (92)	$ 106

Revenue Decoupling. The demand for electricity is affected by weather and customer usage. Operating revenues are not impacted by abnormal weather, usage per customer, or number of customers as a result of revenue decoupling mechanisms implemented pursuant to FEJA.

Distribution Revenue. EIMA and FEJA provide for a performance-based formula rate, which requires an annual reconciliation of the revenue requirement in effect to the actual costs that the ICC determines are prudently and reasonably incurred in a given year. Electric distribution revenue varies from year to year based upon fluctuations in the underlying costs, (e.g., severe weather and storm restoration), investments being recovered, and allowed ROE. Electric distribution revenue increased for the three and six months ended June 30, 2022 as compared to the same period in 2021, due to higher allowed ROE due to an increase in treasury rates, the impact of a higher rate base, and higher fully recoverable costs.

Transmission Revenue. Under a FERC-approved formula, transmission revenue varies from year to year based upon fluctuations in the underlying costs, capital investments being recovered, and the highest daily peak load, which is updated annually in January based on the prior calendar year. Generally, increases/decreases in the highest daily peak load will result in higher/lower transmission revenue. Transmission revenue increased for the three and six months ended June 30, 2022 as compared to the same period in 2021 primarily due to the impact of higher rate base and higher fully recoverable costs.

Energy Efficiency Revenue. FEJA provides for a performance-based formula rate, which requires an annual reconciliation of the revenue requirement in effect to the actual costs that the ICC determines are prudently and reasonably incurred in a given year. Under FEJA, energy efficiency revenue varies from year to year based upon fluctuations in the underlying costs, investments being recovered, and allowed ROE. Energy efficiency revenue increased for the three and six months ended June 30, 2022 as compared to the same period in 2021, primarily due to increased regulatory asset amortization, which is fully recoverable.

Other Revenue primarily includes assistance provided to other utilities through mutual assistance programs. Other revenue remained relatively the same for the three and six months ended June 30, 2022 as compared to the same period in 2021.

Regulatory Required Programs represents revenues collected under approved riders to recover costs incurred for regulatory programs such as recoveries under the credit loss expense tariff, environmental costs associated with MGP sites, Energy Transition Assistance Charge ("ETAC"), and costs related to electricity, ZEC, CMC, and REC procurement. See Note 3 — Regulatory Matters of the Combined Notes to Consolidated Financial Statements for additional information regarding CMCs. ETAC is a retail customer surcharge collected by electric utilities operating in Illinois established by CEJA and remitted to an Illinois state agency for programs to support clean energy jobs and training. The riders are designed to provide full and current cost recovery. The costs of these programs are included in Purchased power expense, Operating and maintenance expense, Depreciation and amortization expense and Taxes other than income. Customers have the choice to purchase electricity from competitive electric generation suppliers. Customer choice programs do not impact the volume of deliveries as ComEd remains the distribution service provider for all customers and charges a regulated rate for distribution service, which is recorded in Operating revenues. For customers that choose to purchase electric generation from competitive suppliers, ComEd either acts as the billing agent or the competitive supplier separately bills its own customers, and therefore does not record Operating revenues or Purchased power expense related to the electricity. For customers that choose to purchase electric generation from ComEd, ComEd is permitted to recover the electricity, ZEC, CMC, and REC procurement costs without mark-up and therefore records equal and offsetting amounts in Operating revenues and Purchased power expense related to the electricity, ZECs, CMCs, and RECs.

See Note 5 — Segment Information of the Combined Notes to Consolidated Financial Statements for the presentation of ComEd's revenue disaggregation.

The decrease of $217 million and $104 million for the three and six months ended June 30, 2022 compared to the same period in 2021, in **Purchased power expense** is offset in Operating revenues as part of regulatory required programs.

The changes in **Operating and maintenance expense** consisted of the following:

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
	(Decrease) Increase	(Decrease) Increase
Storm-related costs	$ (1)	$ —
Pension and non-pension postretirement benefits expense	(7)	(14)
Labor, other benefits, contracting and materials	9	11
BSC costs	9	22
Other[(a)]	4	26
	14	45
Regulatory required programs[(b)]	1	5
Total increase	$ 15	$ 50

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(a) For the six months ended June 30, 2022, the increase is primarily due to the voluntary customer refund related to the ICC investigation of matters identified in the Deferred Prosecution Agreement. See Note 12 — Commitments and Contingencies of the Combined Notes to Consolidated Financial Statements for additional information related to the Deferred Prosecution Agreement.
(b) ComEd is allowed to recover from or refund to customers the difference between its annual credit loss expense and the amounts collected in rates annually through a rider mechanism.

The changes in **Depreciation and amortization expense** consisted of the following:

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
	Increase	Increase
Depreciation and amortization[(a)]	$ 19	$ 33
Regulatory asset amortization[(b)]	13	27
Total increase	$ 32	$ 60

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(a) Reflects ongoing capital expenditures.
(b) Includes amortization of ComEd's energy efficiency formula rate regulatory asset.

Taxes other than income taxes increased by $13 million and by $32 million for the three and six months ended June 30, 2022, respectively, compared to the same period in 2021, primarily due to taxes related to ETAC, which is recovered through Operating revenues.

Effective income tax rates were 22.5% and 19.3% for the three months ended June 30, 2022 and 2021, respectively, and 22.3% and 17.9% for the six months ended June 30, 2022 and 2021, respectively. See Note 7 — Income Taxes of the Combined Notes to Consolidated Financial Statements for additional information regarding the components of the effective income tax rates.

Results of Operations — PECO

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Favorable (Unfavorable) Variance	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021	Favorable (Unfavorable) Variance
Operating revenues	$ 816	$ 693	$ 123	$ 1,863	$ 1,582	$ 281
Operating expenses						
Purchased power and fuel	283	207	(76)	689	523	(166)
Operating and maintenance	215	209	(6)	463	443	(20)
Depreciation and amortization	93	87	(6)	185	173	(12)
Taxes other than income taxes	48	49	1	95	92	(3)
Total operating expenses	639	552	(87)	1,432	1,231	(201)
Operating income	177	141	36	431	351	80
Other income and (deductions)						
Interest expense, net	(43)	(42)	(1)	(84)	(80)	(4)
Other, net	8	7	1	16	12	4
Total other income and (deductions)	(35)	(35)	—	(68)	(68)	—
Income before income taxes	142	106	36	363	283	80
Income taxes	9	2	(7)	24	12	(12)
Net income	$ 133	$ 104	$ 29	$ 339	$ 271	$ 68

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021. **Net income** increased by $29 million, primarily due to increases in electric and gas distribution rates.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021. **Net income** increased by $68 million, primarily due to increases in electric and gas distribution rates.

The changes in **Operating revenues** consisted of the following:

	Three Months Ended June 30, 2022 (Decrease) Increase			Six Months Ended June 30, 2022 (Decrease) Increase		
	Electric	Gas	Total	Electric	Gas	Total
Weather	$ (1)	$ (1)	$ (2)	$ (5)	$ (5)	$ (10)
Volume	(2)	4	2	4	10	14
Pricing	32	6	38	65	23	88
Transmission	3	—	3	8	—	8
Other	6	1	7	11	4	15
	38	10	48	83	32	115
Regulatory required programs	58	17	75	95	71	166
Total increase	$ 96	$ 27	$ 123	$ 178	$ 103	$ 281

Weather. The demand for electricity and natural gas is affected by weather conditions. With respect to the electric business, very warm weather in summer months and, with respect to the electric and natural gas businesses, very cold weather in winter months are referred to as “favorable weather conditions” because these weather conditions result in increased deliveries of electricity and natural gas. Conversely, mild weather reduces demand. During the three months ended June 30, 2022 compared to the same period in 2021, Operating revenues related to weather remained relatively consistent. During the six months ended June 30, 2022 compared to the same period in 2021, Operating revenues related to weather decreased by the impact of unfavorable weather conditions in PECO's service territory.

Heating and cooling degree-days are quantitative indices that reflect the demand for energy needed to heat or cool a home or business. Normal weather is determined based on historical average heating and cooling degree-days for a 30-year period in PECO's service territory. The changes in heating and cooling degree-days in

PECO's service territory for the three and six months ended June 30, 2022 compared to the same period in 2021 and normal weather consisted of the following:

PECO Service Territory	Three Months Ended June 30, 2022	2021	Normal	% Change 2022 vs. 2021	% Change 2022 vs. Normal
Heating Degree-Days	385	404	424	(4.7)%	(9.2)%
Cooling Degree-Days	434	418	391	3.8 %	11.0 %
	Six Months Ended June 30, 2022	**2021**	**Normal**	**% Change 2022 vs. 2021**	**% Change 2022 vs. Normal**
Heating Degree-Days	2,613	2,706	2,840	(3.4)%	(8.0)%
Cooling Degree-Days	435	423	392	2.8 %	11.0 %

Volume. Electric volume, exclusive of the effects of weather, for the three and six months ended June 30, 2022, compared to the same period in 2021, remained relatively consistent. Natural gas volume for the three and six months ended June 30, 2022 compared to the same period in 2021, increased due to retail load growth.

Electric Retail Deliveries to Customers (in GWhs)	Three Months Ended June 30, 2022	2021	% Change	Weather - Normal % Change[(b)]	Six Months Ended June 30, 2022	2021	% Change	Weather - Normal % Change[(b)]
Residential	3,060	3,116	(1.8)%	(1.1)%	6,818	6,883	(0.9)%	0.1 %
Small commercial & industrial	1,813	1,758	3.1 %	3.0 %	3,750	3,639	3.1 %	3.2 %
Large commercial & industrial	3,416	3,475	(1.7)%	(1.8)%	6,748	6,747	— %	— %
Public authorities & electric railroads	135	121	11.6 %	11.9 %	317	270	17.4 %	17.7 %
Total electric retail deliveries[(a)]	8,424	8,470	(0.5)%	(0.4)%	17,633	17,539	0.5 %	1.0 %

Number of Electric Customers	As of June 30, 2022	2021
Residential	1,521,728	1,513,456
Small commercial & industrial	155,484	154,842
Large commercial & industrial	3,114	3,108
Public authorities & electric railroads	10,386	10,285
Total	1,690,712	1,681,691

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(a) Reflects delivery volumes from customers purchasing electricity directly from PECO and customers purchasing electricity from a competitive electric generation supplier as all customers are assessed distribution charges.
(b) Reflects the change in delivery volumes assuming normalized weather based on the historical 30-year average.

Natural Gas Deliveries to Customers (in mmcf)	Three Months Ended June 30, 2022	2021	% Change	Weather - Normal % Change[(b)]	Six Months Ended June 30, 2022	2021	% Change	Weather - Normal % Change[(b)]
Residential	5,206	5,027	3.6 %	4.9 %	26,043	25,701	1.3 %	4.4 %
Small commercial & industrial	3,638	3,121	16.6 %	17.2 %	14,184	13,291	6.7 %	8.4 %
Large commercial & industrial	4	2	100.0 %	12.6 %	14	9	55.6 %	11.4 %
Transportation	5,707	5,468	4.4 %	5.7 %	13,346	13,118	1.7 %	2.7 %
Total natural gas retail deliveries[(a)]	14,555	13,618	6.9 %	8.0 %	53,587	52,119	2.8 %	5.0 %

Number of Natural Gas Customers	As of June 30, 2022	2021
Residential	499,678	494,895
Small commercial & industrial	44,726	44,450
Large commercial & industrial	10	6
Transportation	659	677
Total	545,073	540,028

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(a) Reflects delivery volumes from customers purchasing natural gas directly from PECO and customers purchasing natural gas from a competitive natural gas supplier as all customers are assessed distribution charges.
(b) Reflects the change in delivery volumes assuming normalized weather based on the historical 30-year average.

Pricing for the three and six months ended June 30, 2022 compared to the same period in 2021 increased primarily due to increases in electric and gas distribution rates charged to customers.

Transmission Revenue. Under a FERC approved formula, transmission revenue varies from year to year based upon fluctuations in the underlying costs and capital investments being recovered.

Other revenue primarily includes revenue related to late payment charges. Other revenue for the three and six months ended June 30, 2022 compared to the same period in 2021 increased primarily due to revenue related to late payment charges.

Regulatory Required Programs represents revenues collected under approved riders to recover costs incurred for regulatory programs such as energy efficiency, PGC, and the GSA. The riders are designed to provide full and current cost recovery as well as a return. The costs of these programs are included in Purchased power and fuel expense, Operating and maintenance expense, Depreciation and amortization expense, and Income taxes. Customers have the choice to purchase electricity and natural gas from competitive electric generation and natural gas suppliers. Customer choice programs do not impact the volume of deliveries as PECO remains the distribution service provider for all customers and charges a regulated rate for distribution service, which is recorded in Operating revenues. For customers that choose to purchase electric generation or natural gas from competitive suppliers, PECO either acts as the billing agent or the competitive supplier separately bills its own customers and therefore PECO does not record Operating revenues or Purchased power and fuel expense related to the electricity and/or natural gas. For customers that choose to purchase electric generation or natural gas from PECO, PECO is permitted to recover the electricity, natural gas, and REC procurement costs without mark-up and therefore records equal and offsetting amounts in Operating revenues and Purchased power and fuel expense related to the electricity, natural gas, and RECs.

See Note 5 — Segment Information of the Combined Notes to Consolidated Financial Statements for the presentation of PECO's revenue disaggregation.

The increase of $76 million and $166 million for the three and six months ended June 30, 2022 compared to the same period in 2021, respectively, in **Purchased power and fuel expense** is offset in Operating revenues as part of regulatory required programs.

The changes in **Operating and maintenance expense** consisted of the following:

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
	Increase (Decrease)	Increase (Decrease)
BSC costs	$ 7	$ 16
Credit loss expense	1	5
Storm-related costs	1	3
Pension and non-pension post retirement benefit expense	(3)	(4)
Labor, other benefits, contracting and materials	(6)	(8)
Other	4	3
	4	15
Regulatory required programs	2	5
Total increase	$ 6	$ 20

The changes in **Depreciation and amortization expense** consisted of the following:

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
	Increase	Increase
Depreciation and amortization[(a)]	$ 6	$ 12
Regulatory asset amortization	—	—
Total increase	$ 6	$ 12

(a) Depreciation and amortization increased primarily due to ongoing capital expenditures.

Interest expense, net increased $1 million and $4 million for the three and six months ended June 30, 2022 compared to the same period in 2021, primarily due to the issuance of debt in 2021 and 2022.

Effective income tax rates were 6.3% and 1.9% for the three months ended June 30, 2022 and 2021 respectively, and 6.6% and 4.2% for the for the six months ended June 30, 2022 and 2021, respectively. See Note 7 — Income Taxes of the Combined Notes to Consolidated Financial Statements for additional information regarding the components of the effective income tax rates.

Results of Operations — BGE

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Favorable (Unfavorable) Variance	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021	Favorable (Unfavorable) Variance
Operating revenues	$ 786	$ 682	$ 104	$ 1,940	$ 1,656	$ 284
Operating expenses						
Purchased power and fuel	289	219	(70)	743	550	(193)
Operating and maintenance	205	193	(12)	423	390	(33)
Depreciation and amortization	152	141	(11)	322	293	(29)
Taxes other than income taxes	71	67	(4)	148	139	(9)
Total operating expenses	717	620	(97)	1,636	1,372	(264)
Operating income	69	62	7	304	284	20
Other income and (deductions)						
Interest expense, net	(36)	(34)	(2)	(71)	(67)	(4)
Other, net	5	9	(4)	11	16	(5)
Total other income and (deductions)	(31)	(25)	(6)	(60)	(51)	(9)
Income before income taxes	38	37	1	244	233	11
Income taxes	1	(8)	(9)	10	(21)	(31)
Net income	$ 37	$ 45	$ (8)	$ 234	$ 254	$ (20)

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021. **Net income** decreased $8 million primarily due to an increase in depreciation expense, partially offset by favorable impacts of the multi-year plans. See Note 3 — Regulatory Matters of the Combined Notes to Consolidated Financial Statements for additional information on the three-year electric and natural gas distribution multi-year plans.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021. **Net income** decreased $20 million primarily due to an increase in depreciation expense and credit loss expense, partially offset by favorable impacts of the multi-year plans. See Note 3 — Regulatory Matters of the Combined Notes to Consolidated Financial Statements for additional information on the three-year electric and natural gas distribution multi-year plans.

The changes in **Operating revenues** consisted of the following:

	Three Months Ended June 30, 2022			Six Months Ended June 30, 2022		
	Increase			Increase		
	Electric	Gas	Total	Electric	Gas	Total
Distribution	$ 17	$ 5	$ 22	$ 31	$ 15	$ 46
Transmission	2	—	2	7	—	7
Other	3	2	5	10	5	15
	22	7	29	48	20	68
Regulatory required programs	50	25	75	128	88	216
Total increase	$ 72	$ 32	$ 104	$ 176	$ 108	$ 284

Revenue Decoupling. The demand for electricity and natural gas is affected by weather and customer usage. However, Operating revenues are not impacted by abnormal weather or usage per customer as a result of a monthly rate adjustment that provides for fixed distribution revenue per customer by customer class. While Operating revenues are not impacted by abnormal weather or usage per customer, they are impacted by changes in the number of customers.

Number of Electric Customers	As of June 30, 2022	As of June 30, 2021
Residential	1,200,397	1,192,135
Small commercial & industrial	115,769	114,682
Large commercial & industrial	12,721	12,528
Public authorities & electric railroads	267	267
Total	1,329,154	1,319,612

Number of Natural Gas Customers	As of June 30, 2022	As of June 30, 2021
Residential	653,409	647,534
Small commercial & industrial	38,227	38,223
Large commercial & industrial	6,211	6,132
Total	697,847	691,889

Distribution Revenue increased for the three and six months ended June 30, 2022, compared to the same period in 2021, due to favorable impacts of the multi-year plans.

Transmission Revenue. Under a FERC-approved formula, transmission revenue varies from year to year based upon fluctuations in the underlying costs and capital investments being recovered. Transmission revenue increased for the three and six months ended June 30, 2022, compared to the same period in 2021, primarily due to increases in capital investments.

Other Revenue includes revenue related to late payment charges, mutual assistance, off-system sales, and service application fees. Other revenue increased for the three and six months ended June 30, 2022, compared to the same period in 2021, primarily due to an increase in late fees charged to customers.

Regulatory Required Programs represent revenues collected under approved riders to recover costs incurred for regulatory programs such as conservation, demand response, STRIDE, and the POLR mechanism. The riders are designed to provide full and current cost recovery, as well as a return in certain instances. The costs of these programs are included in Purchased power and fuel expense, Operating and maintenance expense, Depreciation and amortization expense, and Taxes other than income taxes. Customers have the choice to purchase electricity and natural gas from competitive electric generation and natural gas suppliers. Customer choice programs do not impact the volume of deliveries as BGE remains the distribution service provider for all customers and charges a regulated rate for distribution service, which is recorded in Operating revenues. For customers that choose to purchase electric generation or natural gas from competitive suppliers, BGE acts as the billing agent and therefore does not record Operating revenues or Purchased power and fuel expense related to the electricity and/or natural gas. For customers that choose to purchase electric generation or natural gas from BGE, BGE is permitted to recover the electricity and natural gas procurement costs from customers and therefore records the amounts related to the electricity and/or natural gas in Operating revenues and Purchased power and fuel expense. BGE recovers electricity and natural gas procurement costs from customers with a slight mark-up.

See Note 5 — Segment Information of the Combined Notes to Consolidated Financial Statements for the presentation of BGE's revenue disaggregation.

The increase of $70 million and $193 million for the three and six months ended June 30, 2022 compared to the same period in 2021, in **Purchased power and fuel expense** is fully offset in Operating revenues as part of regulatory required programs.

The changes in **Operating and maintenance expense** consisted of the following:

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
	Increase (Decrease)	Increase (Decrease)
Labor, other benefits, contracting, and materials	$ 5	$ 7
Storm-related costs	(2)	(1)
Pension and non-pension postretirement benefits expense	(3)	(6)
BSC costs	6	14
Credit loss expense	—	14
Other	5	2
	11	30
Regulatory required programs	1	3
Total increase	$ 12	$ 33

The changes in **Depreciation and amortization expense** consisted of the following:

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
	Increase	Increase
Depreciation and amortization[(a)]	$ 9	$ 19
Regulatory required programs	1	8
Regulatory asset amortization	1	2
Total increase	$ 11	$ 29

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(a) Depreciation and amortization increased primarily due to ongoing capital expenditures.

Taxes other than income taxes increased by $4 million and $9 million for the three and six months ended June 30, 2022, respectively, compared to the same period in 2021, primarily due to increased property taxes.

Effective income tax rates were 2.6% and (21.6)% for the three months ended June 30, 2022 and 2021, respectively, and 4.1% and (9.0)% for the six months ended June 30, 2022 and 2021, respectively. The change is primarily due to decreases in the multi-year plans' accelerated income tax benefits in 2022 as compared to 2021. See Note 3 — Regulatory Matters of the Combined Notes to Consolidated Financial Statements for additional information on the three-year electric and natural gas distribution multi-year plans and Note 7 — Income Taxes of the Combined Notes to Consolidated Financial Statements for additional information regarding the components of the effective income tax rates.

Results of Operations — PHI

PHI's Results of Operations include the results of its three reportable segments, Pepco, DPL, and ACE. PHI also has a business services subsidiary, PHISCO, which provides a variety of support services and the costs are directly charged or allocated to the applicable subsidiaries. Additionally, the results of PHI's corporate operations include interest costs from various financing activities. All material intercompany accounts and transactions have been eliminated in consolidation. The following table sets forth PHI's GAAP consolidated Net income, by Registrant, for the three and six months ended June 30, 2022 compared to the same period in 2021. See the Results of Operations for Pepco, DPL, and ACE for additional information.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	(Unfavorable) Variance	2022	2021	(Unfavorable) Favorable Variance
PHI	$ 100	$ 141	$ (41)	$ 230	$ 269	$ (39)
Pepco	70	75	(5)	116	134	(18)
DPL	21	30	(9)	77	86	(9)
ACE	11	37	(26)	37	51	(14)
Other[(a)]	(2)	(1)	(1)	—	(2)	2

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(a) Primarily includes eliminating and consolidating adjustments, PHI's corporate operations, shared service entities, and other financing and investing activities.

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021. **Net Income** decreased by $41 million primarily due to the absence of favorable weather and volume as a result of the CIP at ACE, an increase in credit loss expense at Pepco, higher contracting costs partially due to timing of maintenance projects at Pepco, depreciation and amortization expense, and the timing of excess deferred tax amortization at ACE, partially offset by favorable impacts as a result of Pepco's Maryland and District of Columbia multi-year plans and higher electric distribution rates at DPL and ACE.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021. **Net Income** decreased by $39 million primarily due to the absence of favorable weather and volume as a result of the CIP at ACE, an increase in storm costs at Pepco and DPL, credit loss expense at Pepco and DPL, higher contracting costs partially due to timing of maintenance projects at Pepco, depreciation and amortization expense, interest expense, and timing of excess deferred tax amortization at Pepco and ACE, partially offset by favorable impacts as a result of Pepco's Maryland and District of Columbia multi-year plans and higher electric distribution rate at DPL and ACE.

Results of Operations — Pepco

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Favorable (Unfavorable) Variance	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021	Favorable (Unfavorable) Variance
Operating revenues	$ 581	$ 523	$ 58	$ 1,195	$ 1,076	$ 119
Operating expenses						
Purchased power	162	133	(29)	375	298	(77)
Operating and maintenance	128	113	(15)	260	221	(39)
Depreciation and amortization	105	96	(9)	213	199	(14)
Taxes other than income taxes	92	87	(5)	186	177	(9)
Total operating expenses	487	429	(58)	1,034	895	(139)
Operating income	94	94	—	161	181	(20)
Other income and (deductions)						
Interest expense, net	(38)	(35)	(3)	(74)	(69)	(5)
Other, net	13	13	—	26	25	1
Total other income and (deductions)	(25)	(22)	(3)	(48)	(44)	(4)
Income before income taxes	69	72	(3)	113	137	(24)
Income taxes	(1)	(3)	(2)	(3)	3	6
Net income	$ 70	$ 75	$ (5)	$ 116	$ 134	$ (18)

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021. **Net Income** decreased by $5 million primarily due to an increase in depreciation expense, credit loss expense, and higher contracting costs partially due to timing of maintenance projects, partially offset by the favorable impacts of the Maryland and District of Columbia multi-year plans.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021. **Net income** decreased by $18 million primarily due to an increase in depreciation expense, credit loss expense, storm costs, higher contracting costs partially due to timing of maintenance projects, and timing of excess deferred tax amortization, partially offset by the favorable impacts of the Maryland and District of Columbia multi-year plans.

The changes in **Operating revenues** consisted of the following:

	Three Months Ended June 30, 2022 Increase	Six Months Ended June 30, 2022 Increase
Distribution	$ 20	$ 26
Transmission	5	8
Other	4	—
	29	34
Regulatory required programs	29	85
Total increase	$ 58	$ 119

Revenue Decoupling. The demand for electricity is affected by weather and customer usage. However, Operating revenues from electric distribution in both Maryland and the District of Columbia are not impacted by abnormal weather or usage per customer as a result of a bill stabilization adjustment (BSA) that provides for a fixed distribution charge per customer by customer class. While Operating revenues are not impacted by abnormal weather or usage per customer, they are impacted by changes in the number of customers.

Number of Electric Customers	As of June 30, 2022	2021
Residential	850,569	837,744
Small commercial & industrial	54,349	53,669
Large commercial & industrial	22,771	22,579
Public authorities & electric railroads	194	178
Total	927,883	914,170

Distribution Revenue increased for the three and six months ended June 30, 2022 compared to the same period in 2021 primarily due to favorable impacts of the Maryland and District of Columbia multi-year plans.

Transmission Revenue Under a FERC-approved formula, transmission revenue varies from year to year based upon fluctuations in the underlying costs and capital investments being recovered. Transmission revenue increased for the three and six months ended June 30, 2022, compared to the same period in 2021, primarily due to increases in capital investment and underlying costs.

Other Revenue includes rental revenue, revenue related to late payment charges, mutual assistance revenues, and recoveries of other taxes.

Regulatory Required Programs represent revenues collected under approved riders to recover costs incurred for regulatory programs such as energy efficiency programs, DC PLUG, and SOS procurement and administrative costs. The riders are designed to provide full and current cost recovery as well as a return in certain instances. The costs of these programs are included in Purchased power expense, Operating and maintenance expense, Depreciation and amortization expense, and Taxes other than income taxes. Customers have the choice to purchase electricity from competitive electric generation suppliers. Customer choice programs do not impact the volume of deliveries, as Pepco remains the distribution service provider for all customers and charges a regulated rate for distribution service, which is recorded in Operating revenues. For customers that choose to purchase electric generation from competitive suppliers, Pepco acts as the billing agent and therefore, Pepco does not record Operating revenues or Purchased power expense related to the electricity. For customers that choose to purchase electric generation from Pepco, Pepco is permitted to recover the electricity and REC procurement costs from customers and therefore records the amounts related to the electricity and RECs in Operating revenues and Purchased power expense. Pepco recovers electricity and REC procurement costs from customers with a slight mark-up.

See Note 5 — Segment Information of the Combined Notes to Consolidated Financial Statements for the presentation of Pepco's revenue disaggregation.

The increase of $29 million and $77 million for the three and six months ended June 30, 2022 compared to the same period in 2021, respectively, in **Purchased power expense** is fully offset in Operating revenues as part of regulatory required programs.

The changes in **Operating and maintenance expense** consisted of the following:

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
	Increase (Decrease)	Increase
BSC and PHISCO Costs	$ 7	$ 11
Labor, other benefits, contracting and materials[(a)]	6	9
Credit loss expense	5	9
Storm-related costs	—	6
Other	(5)	2
	13	37
Regulatory required programs	2	2
Total increase	$ 15	$ 39

(a) Primarily reflects higher contracting costs partially due to timing of maintenance projects.

The changes in **Depreciation and amortization expense** consisted of the following:

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
	Increase	Increase (Decrease)
Depreciation and amortization[(a)]	$ 6	$ 11
Regulatory asset amortization	2	(3)
Regulatory required programs	1	6
Total increase	$ 9	$ 14

(a) Depreciation and amortization increased primarily due to ongoing capital expenditures.

Effective income tax rates were (1.4)% and (4.2)% for three months ended June 30, 2022 and 2021, respectively, and (2.7)% and 2.2% for the six months ended June 30, 2022 and 2021, respectively. The three months ended June 30, 2022 change is primarily due to the acceleration of certain income tax benefits as a result of the Maryland and District of Columbia multi-year plans. The six months ended June 30, 2022 change is primarily due to the acceleration of certain income tax benefits as a result of the Maryland and District of Columbia multi-year plans, partially offset with the timing of excess deferred tax amortization. See Note 3 — Regulatory Matters of the Combined Notes to Consolidated Financial Statement for additional information on the three-year electric distribution multi-year plans and Note 7 — Income Taxes of the Combined Notes to Consolidated Financial Statements for additional information regarding the components of the effective income tax rates.

Results of Operations — DPL

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Favorable (Unfavorable) Variance	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021	Favorable (Unfavorable) Variance
Operating revenues	$ 332	$ 298	$ 34	$ 763	$ 680	$ 83
Operating expenses						
Purchased power and fuel	135	108	(27)	324	263	(61)
Operating and maintenance	88	80	(8)	181	164	(17)
Depreciation and amortization	56	51	(5)	113	104	(9)
Taxes other than income taxes	17	16	(1)	35	33	(2)
Total operating expenses	296	255	(41)	653	564	(89)
Operating income	36	43	(7)	110	116	(6)
Other income and (deductions)						
Interest expense, net	(17)	(16)	(1)	(33)	(30)	(3)
Other, net	4	4	—	6	6	—
Total other income and (deductions)	(13)	(12)	(1)	(27)	(24)	(3)
Income before income taxes	23	31	(8)	83	92	(9)
Income taxes	2	1	(1)	6	6	—
Net income	$ 21	$ 30	$ (9)	$ 77	$ 86	$ (9)

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021. **Net income** decreased $9 million primarily due to an increase in depreciation expense and various operating expenses partially offset by higher electric distribution rates.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021. **Net income** decreased $9 million primarily due to an increase in credit loss expense, depreciation expense, and various operating expenses, partially offset by higher electric distribution rates.

The changes in **Operating revenues** consisted of the following:

	Three Months Ended June 30, 2022 (Decrease) Increase			Six Months Ended June 30, 2022 (Decrease) Increase		
	Electric	Gas	Total	Electric	Gas	Total
Weather	$ (1)	$ —	$ (1)	$ (1)	$ —	$ (1)
Volume	(1)	2	1	3	3	6
Distribution	5	1	6	10	3	13
Transmission	(1)	—	(1)	2	—	2
	2	3	5	14	6	20
Regulatory required programs	18	11	29	43	20	63
Total increase	$ 20	$ 14	$ 34	$ 57	$ 26	$ 83

Revenue Decoupling. The demand for electricity is affected by weather and customer usage. However, Operating revenues from electric distribution in Maryland are not impacted by abnormal weather or usage per customer as a result of a bill stabilization adjustment (BSA) that provides for a fixed distribution charge per customer by customer class. While Operating revenues from electric distribution customers in Maryland are not impacted by abnormal weather or usage per customer, they are impacted by changes in the number of customers.

Weather. The demand for electricity and natural gas in Delaware is affected by weather conditions. With respect to the electric business, very warm weather in summer months and, with respect to the electric and natural gas businesses, very cold weather in winter months are referred to as "favorable weather conditions" because these weather conditions result in increased deliveries of electricity and natural gas. Conversely, mild weather reduces demand. During the three and six months ended June 30, 2022 compared to the same period in 2021, Operating revenues related to weather remained relatively consistent.

Heating and cooling degree days are quantitative indices that reflect the demand for energy needed to heat or cool a home or business. Normal weather is determined based on historical average heating and cooling degree days for a 20-year period in DPL's Delaware electric service territory and a 30-year period in DPL's Delaware natural gas service territory. The changes in heating and cooling degree days in DPL's Delaware service territory for the three and six months ended June 30, 2022 compared to same period in 2021 and normal weather consisted of the following:

	Three Months Ended June 30,			% Change	
Delaware Electric Service Territory	2022	2021	Normal	2022 vs. 2021	2022 vs. Normal
Heating Degree-Days	441	480	471	(8.1)%	(6.4)%
Cooling Degree-Days	328	361	336	(9.1)%	(2.4)%
	Six Months Ended June 30,			% Change	
	2022	2021	Normal	2022 vs. 2021	2022 vs. Normal
Heating Degree-Days	2,796	2,838	2,951	(1.5)%	(5.3)%
Cooling Degree-Days	331	364	336	(9.1)%	(1.5)%

	Three Months Ended June 30,			% Change	
Delaware Natural Gas Service Territory	2022	2021	Normal	2022 vs. 2021	2022 vs. Normal
Heating Degree-Days	441	480	492	(8.1)%	(10.4)%
	Six Months Ended June 30,			% Change	
	2022	2021	Normal	2022 vs. 2021	2022 vs. Normal
Heating Degree-Days	2,796	2,838	2,993	(1.5)%	(6.6)%

Volume, exclusive of the effects of weather, remained relatively consistent for the three months ended June 30, 2022 compared to the same period in 2021 and increased for the six months ended June 30, 2022 compared to the same period in 2021 primarily due to customer growth and usage.

	Three Months Ended June 30,				Six Months Ended June 30,			
Electric Retail Deliveries to Delaware Customers (in GWhs)	2022	2021	% Change	Weather - Normal % Change[b]	2022	2021	% Change	Weather - Normal % Change[b]
Residential	675	703	(4.0)%	(1.7)%	1,570	1,557	0.8 %	1.6 %
Small commercial & industrial	337	357	(5.6)%	(4.8)%	706	699	1.0 %	1.4 %
Large commercial & industrial	773	810	(4.6)%	(4.2)%	1,538	1,499	2.6 %	2.8 %
Public authorities & electric railroads	8	10	(20.0)%	(19.9)%	17	19	(10.5)%	(7.9)%
Total electric retail deliveries[a]	1,793	1,880	(4.6)%	(3.5)%	3,831	3,774	1.5 %	2.0 %

	As of June 30,	
Number of Total Electric Customers (Maryland and Delaware)	2022	2021
Residential	479,728	475,061
Small commercial & industrial	63,574	62,880
Large commercial & industrial	1,222	1,213
Public authorities & electric railroads	598	607
Total	545,122	539,761

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(a) Reflects delivery volumes from customers purchasing electricity directly from DPL and customers purchasing electricity from a competitive electric generation supplier as all customers are assessed distribution charges.
(b) Reflects the change in delivery volumes assuming normalized weather based on the historical 20-year average.

Natural Gas Retail Deliveries to Delaware Customers (in mmcf)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	% Change	Weather - Normal % Change[(b)]	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021	% Change	Weather - Normal % Change[(b)]
Residential	983	713	37.9 %	44.6 %	5,436	5,107	6.4 %	6.3 %
Small commercial & industrial	570	430	32.6 %	39.2 %	2,550	2,295	11.1 %	12.0 %
Large commercial & industrial	402	393	2.3 %	2.3 %	863	853	1.2 %	1.1 %
Transportation	1,444	1,470	(1.8)%	(0.7)%	3,650	3,694	(1.2)%	(0.7)%
Total natural gas deliveries[(a)]	3,399	3,006	13.1 %	16.3 %	12,499	11,949	4.6 %	4.9 %

Number of Delaware Natural Gas Customers	As of June 30, 2022	As of June 30, 2021
Residential	128,715	127,503
Small commercial & industrial	10,068	9,953
Large commercial & industrial	16	18
Transportation	157	158
Total	138,956	137,632

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(a) Reflects delivery volumes from customers purchasing natural gas directly from DPL and customers purchasing natural gas from a competitive natural gas supplier as all customers are assessed distribution charges.
(b) Reflects the change in delivery volumes assuming normalized weather based on the historical 30-year average.

Distribution Revenue increased for the three and six months ended June 30, 2022 compared to the same period in 2021 primarily due to higher electric distribution rates in Maryland that became effective in March 2022, higher Distribution System Improvement Charge (DSIC) rates in Delaware that became effective in January 2022, and higher approved electric distribution rates in Delaware that became effective in September 2021.

Transmission Revenues. Under a FERC-approved formula, transmission revenue varies from year to year based upon fluctuations in the underlying costs and capital investments being recovered. Transmission revenue remained relatively consistent for the three months ended June 30, 2022 compared to the same period in 2021. Transmission revenue increased for the six months ended June 30, 2022 compared to the same period in 2021, primarily due to increases in underlying costs.

Other Revenue includes rental revenue, revenue related to late payment charges, mutual assistance revenues, and recoveries of other taxes.

Regulatory Required Programs represent revenues collected under approved riders to recover costs incurred for regulatory programs such as energy efficiency programs, DE Renewable Portfolio Standards, SOS procurement and administrative costs, and GCR costs. The riders are designed to provide full and current cost recovery as well as a return in certain instances. The costs of these programs are included in Purchased power and fuel expense, Operating and maintenance expense, Depreciation and amortization expense, and Taxes other than income taxes. All customers have the choice to purchase electricity from competitive electric generation suppliers; however, only certain commercial and industrial customers have the choice to purchase natural gas from competitive natural gas suppliers. Customer choice programs do not impact the volume of deliveries as DPL remains the distribution service provider for all customers and charges a regulated rate for distribution service, which is recorded in Operating revenues. For customers that choose to purchase electric generation or natural gas from competitive suppliers, DPL either acts as the billing agent or the competitive supplier separately bills its own customers, and therefore does not record Operating revenues or Purchased power and fuel expense related to the electricity and/or natural gas. For customers that choose to purchase electric generation or natural gas from DPL, DPL is permitted to recover the electricity, natural gas, and REC procurement costs from customers and therefore records the amounts related to the electricity, natural gas, and RECs in Operating revenues and Purchased power and fuel expense. DPL recovers electricity and REC procurement costs from customers with a slight mark-up, and natural gas costs without mark-up.

See Note 5 — Segment Information of the Combined Notes to Consolidated Financial Statements for the presentation of DPL's revenue disaggregation.

The increase of $27 million and $61 million for the three and six months ended June 30, 2022, compared to the same period in 2021, respectively, in **Purchased power and fuel expense** is fully offset in Operating revenues as part of regulatory required programs.

The changes in **Operating and maintenance expense** consisted of the following:

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
	Increase (Decrease)	Increase
BSC and PHISCO costs	$ 4	$ 7
Credit loss expense	2	4
Storm-related costs	—	3
Labor, other benefits, contracting and materials	2	1
Other	(1)	—
	7	15
Regulatory required programs	1	2
Total increase	$ 8	$ 17

The changes in **Depreciation and amortization expense** consisted of the following:

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
	Increase	Increase (Decrease)
Depreciation and amortization[(a)]	$ 5	$ 9
Regulatory asset amortization	—	(1)
Regulatory required programs	—	1
Total increase	$ 5	$ 9

(a) Depreciation and amortization increased primarily due to ongoing capital expenditures.

Effective income tax rates were 8.7% and 3.2% for the three months ended June 30, 2022 and 2021, respectively, and 7.2% and 6.5% for the six months ended June 30, 2022 and 2021, respectively. See Note 7 — Income Taxes of the Combined Notes to Consolidated Financial Statements for additional information regarding the components of the effective income tax rates.

Results of Operations — ACE

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	(Unfavorable)Favorable Variance	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021	Favorable (Unfavorable) Variance
Operating revenues	$ 309	$ 319	$ (10)	$ 658	$ 629	$ 29
Operating expenses						
Purchased power	123	154	31	301	311	10
Operating and maintenance	86	73	(13)	170	150	(20)
Depreciation and amortization	72	40	(32)	118	87	(31)
Taxes other than income taxes	2	2	—	4	4	—
Total operating expenses	283	269	(14)	593	552	(41)
Operating income	26	50	(24)	65	77	(12)
Other income and (deductions)						
Interest expense, net	(17)	(14)	(3)	(32)	(29)	(3)
Other, net	2	—	2	5	2	3
Total other income and (deductions)	(15)	(14)	(1)	(27)	(27)	—
Income before income taxes	11	36	(25)	38	50	(12)
Income taxes	—	(1)	(1)	1	(1)	(2)
Net income	$ 11	$ 37	$ (26)	$ 37	$ 51	$ (14)

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021**. Net income** decreased by $26 million primarily due to the absence of favorable weather and volume as a result of the CIP, an increase in depreciation expense, various operating expenses, and timing of excess deferred tax amortization, partially offset by increases in distribution rates.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021. **Net income** decreased by $14 million primarily due to the absence of favorable weather and volume as a result of the CIP, an increase in depreciation expense, various operating expenses, and timing of excess deferred tax amortization, partially offset by increases in distribution rates.

The changes in **Operating revenues** consisted of the following:

	Three Months Ended June 30, 2022 (Decrease) Increase	Six Months Ended June 30, 2022 (Decrease) Increase
Weather	$ (3)	$ (3)
Volume	(13)	(11)
Distribution	8	20
Transmission	(3)	3
	(11)	9
Regulatory required programs	1	20
Total (decrease) increase	$ (10)	$ 29

Revenue Decoupling. The demand for electricity is affected by weather and customer usage. However, Operating revenues from electric distribution in New Jersey are not impacted by abnormal weather or usage per customer as a result of the CIP which became effective, prospectively, in the third quarter of 2021. The CIP compares current distribution revenues by customer class to approved target revenues established in ACE's most recent distribution base rate case. The CIP is calculated annually, and recovery is subject to certain conditions, including an earnings test and ceilings on customer rate increases. While Operating revenues are not impacted by abnormal weather or usage per customer, they are impacted by changes in the number of customers. See Note 3 — Regulatory Matters of the Combined Notes to the Consolidated Financial Statements for additional information.

Weather. Prior to the third quarter of 2021, the demand for electricity was affected by weather conditions. With respect to the electric business, very warm weather in summer months and very cold weather in winter months are referred to as “favorable weather conditions” because these weather conditions result in increased deliveries of electricity. Conversely, mild weather reduces demand. During the three and six months ended June 30, 2022 compared to the same period in 2021, Operating revenues related to weather decreased due to the absence of favorable impacts in the first and second quarter of 2022 as a result of the CIP.

Heating and cooling degree days are quantitative indices that reflect the demand for energy needed to heat or cool a home or business. Normal weather is determined based on historical average heating and cooling degree days for a 20-year period in ACE’s service territory. The changes in heating and cooling degree days in ACE’s service territory for the three and six months ended June 30, 2022 compared to same period in 2021 and normal weather consisted of the following:

	Three Months Ended June 30,			% Change	
Heating and Cooling Degree-Days	2022	2021	Normal	2022 vs. 2021	2022 vs. Normal
Heating Degree-Days	533	525	540	1.5 %	(1.3)%
Cooling Degree-Days	275	321	305	(14.3)%	(9.8)%

	Six Months Ended June 30,			% Change	
Heating and Cooling Degree-Days	2022	2021	Normal	2022 vs. 2021	2022 vs. Normal
Heating Degree-Days	2,969	2,873	2,994	3.3 %	(0.8)%
Cooling Degree-Days	277	325	305	(14.8)%	(9.2)%

Volume, exclusive of the effects of weather, decreased for the three and six months ended June 30, 2022 compared to the same period in 2021, due to the absence of favorable impacts in the first and second quarter of 2022 as a result of the CIP.

	Three Months Ended June 30,				Six Months Ended June 30,			
Electric Retail Deliveries to Customers (in GWhs)	2022	2021	% Change	Weather - Normal % Change[(b)]	2022	2021	% Change	Weather - Normal % Change[(b)]
Residential	859	975	(11.9)%	(9.7)%	1,777	1,903	(6.6)%	(6.0)%
Small commercial & industrial	362	333	8.7 %	9.7 %	701	638	9.9 %	9.7 %
Large commercial & industrial	808	761	6.2 %	6.7 %	1,511	1,477	2.3 %	2.3 %
Public authorities & electric railroads	11	11	— %	(5.8)%	25	24	4.2 %	0.6 %
Total electric retail deliveries[(a)]	2,040	2,080	(1.9)%	(0.5)%	4,014	4,042	(0.7)%	(0.5)%

	As of June 30,	
Number of Electric Customers	2022	2021
Residential	501,494	499,436
Small commercial & industrial	62,291	61,836
Large commercial & industrial	3,085	3,243
Public authorities & electric railroads	726	707
Total	567,596	565,222

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(a) Reflects delivery volumes from customers purchasing electricity directly from ACE and customers purchasing electricity from a competitive electric generation supplier as all customers are assessed distribution charges.
(b) Reflects the change in delivery volumes assuming normalized weather based on the historical 20-year average.

Distribution Revenue increased for the three and six months ended June 30, 2022 compared to the same period in 2021 due to higher distribution rates that became effective in January 2022.

Transmission Revenues. Under a FERC-approved formula, transmission revenue varies from year to year based upon fluctuations in the underlying costs and capital investments being recovered. Transmission revenue decreased for the three months ended June 30, 2022 compared to the same period in 2021, primarily due to decreases in underlying costs, partially offset by increases in capital investment. Transmission revenue increased for the six months ended June 30, 2022 compared to the same period in 2021, primarily due to an increase in capital investment.

Other Revenue includes rental revenue, service connection fees, and mutual assistance revenues.

Regulatory Required Programs represent revenues collected under approved riders to recover costs incurred for regulatory programs such as energy efficiency programs, Societal Benefits Charge, Transition Bonds, and BGS procurement and administrative costs. The riders are designed to provide full and current cost recovery as well as a return in certain instances. The costs of these programs are included in Purchased power expense, Operating and maintenance expense, Depreciation and amortization expense, and Taxes other than income taxes. Customers have the choice to purchase electricity from competitive electric generation suppliers. Customer choice programs do not impact the volume of deliveries, as ACE remains the distribution service provider for all customers and charges a regulated rate for distribution service, which is recorded in Operating revenues. For customers that choose to purchase electric generation from competitive suppliers, ACE acts as the billing agent and therefore, ACE does not record Operating revenues or Purchased power expense related to the electricity. For customers that choose to purchase electric generation from ACE, ACE is permitted to recover the electricity, ZEC, and REC procurement costs without mark-up and therefore records equal and offsetting amounts in Operating revenues and Purchased power expense related to the electricity, ZECs, and RECs.

See Note 5 — Segment Information of the Combined Notes to Consolidated Financial Statements for the presentation of ACE's revenue disaggregation.

The decrease of $31 million and $10 million for the three and six months ended June 30, 2022 compared to the same period in 2021, respectively, in **Purchased power expense** is fully offset in Operating revenues as part of regulatory required programs.

The changes in **Operating and maintenance expense** consisted of the following:

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
	Increase	Increase
Labor, other benefits, contracting and materials	$ 4	$ 4
BSC and PHISCO costs	3	4
Storm-related costs	1	2
Credit loss expense	1	—
Other	1	3
	10	13
Regulatory required programs[(a)]	3	7
Total increase	$ 13	$ 20

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(a) ACE is allowed to recover from or refund to customers the difference between its annual credit loss expense and the amounts collected in rates annually through the Societal Benefits Charge.

The changes in **Depreciation and amortization expense** consisted of the following:

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
	Increase	Increase
Depreciation and amortization[(a)]	$ 4	$ 7
Regulatory asset amortization	—	1
Regulatory required programs[(b)]	28	23
Total increase	$ 32	$ 31

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(a) Depreciation and amortization increased primarily due to ongoing capital expenditures.
(b) Regulatory required programs increased primarily due to the regulatory asset amortization of the PPA termination obligation which is fully offset in Operating revenues.

Effective income tax rates were 0.0% and (2.8)% for the three months ended June 30, 2022 and 2021, respectively, and 2.6% and (2.0)% for the six months ended June 30, 2022 and 2021, respectively. The three and six months ended June 30, 2022 changes primarily reflect the timing of excess deferred tax amortization. See Note 7 — Income Taxes of the Combined Notes to Consolidated Financial Statements for additional information regarding the components of the effective income tax rates.

Liquidity and Capital Resources (All Registrants)

All results included throughout the liquidity and capital resources section are presented on a GAAP basis.

The Registrants’ operating and capital expenditures requirements are provided by internally generated cash flows from operations, as well as funds from external sources in the capital markets and through bank borrowings. The Registrants’ businesses are capital intensive and require considerable capital resources. Each of the Registrants annually evaluates its financing plan, dividend practices, and credit line sizing, focusing on maintaining its investment grade ratings while meeting its cash needs to fund capital requirements, including construction expenditures, retire debt, pay dividends, and fund pension and OPEB obligations. The Registrants spend a significant amount of cash on capital improvements and construction projects that have a long-term return on investment. Additionally, the Utility Registrants operate in rate-regulated environments in which the amount of new investment recovery may be delayed or limited and where such recovery takes place over an extended period of time. Each Registrant’s access to external financing on reasonable terms depends on its credit ratings and current overall capital market business conditions, including that of the utility industry in general. If these conditions deteriorate to the extent that the Registrants no longer have access to the capital markets at reasonable terms, the Registrants have access to credit facilities with aggregate bank commitments of $4.0 billion. The Registrants utilize their credit facilities to support their commercial paper programs, provide for other short-term borrowings and to issue letters of credit. See the “Credit Matters and Cash Requirements” section below for additional information. The Registrants expect cash flows to be sufficient to meet operating expenses, financing costs, and capital expenditure requirements. See Note 10 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information on the Registrants’ debt and credit agreements.

Cash flows related to Constellation have not been presented as discontinued operations and are included in the Consolidated Statements of Cash Flows for all periods presented. The Exelon Consolidated Statement of Cash Flows for the six months ended June 30, 2022 includes one month of cash flows from Generation. The Exelon Consolidated Statement of Cash Flows for the six months ended June 30, 2021 includes six months of cash flows from Generation. This is the primary reason for the changes in cash flows as shown in the tables unless otherwise noted below.

Cash Flows from Operating Activities

The Utility Registrants' cash flows from operating activities primarily result from the transmission and distribution of electricity and, in the case of PECO, BGE, and DPL, gas distribution services. The Utility Registrants' distribution services are provided to an established and diverse base of retail customers. The Utility Registrants' future cash flows may be affected by the economy, weather conditions, future legislative initiatives, future regulatory proceedings with respect to their rates or operations, and their ability to achieve operating cost reductions.

See Note 3 — Regulatory Matters of the 2021 Recast Form 10-K and Notes 3 — Regulatory Matters and 12 — Commitments and Contingencies of the Combined Notes to Consolidated Financial Statements for additional information on regulatory and legal proceedings and proposed legislation.

The following table provides a summary of the change in cash flows from operating activities for the six months ended June 30, 2022 and 2021 by Registrant:

Increase (decrease) in cash flows from operating activities	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Net income (loss)	$ 852	$ 25	$ 68	$ (20)	$ (39)	$ (18)	$ (9)	$ (14)
Adjustments to reconcile net income to cash:								
Non-cash operating activities	(714)	(2)	14	82	164	57	33	72
Option premiums (paid), net	(41)	—	—	—	—	—	—	—
Collateral received, net	732	58	—	188	403	85	180	137
Income taxes	(167)	15	25	—	(1)	(4)	(8)	6
Pension and non-pension postretirement benefit contributions	(26)	(5)	2	12	(30)	—	(1)	(4)
Changes in regulatory assets and liabilities, net	(100)	(86)	(10)	25	(38)	2	2	(29)
Changes in working capital and other assets and liabilities	1,566	25	(61)	1	(46)	(16)	(7)	(17)
Increase in cash flows from operating activities	$ 2,102	$ 30	$ 38	$ 288	$ 413	$ 106	$ 190	$ 151

Changes in the Registrants' cash flows from operations were generally consistent with changes in each Registrant's respective results of operations, as adjusted by changes in working capital in the normal course of business, except as discussed below. See above for additional information related to cash flows from Generation. Significant operating cash flow impacts for the Registrants and Generation for the six months ended June 30, 2022 and 2021 were as follows:

- See Note 14 — Supplemental Financial Information of the Combined Notes to Consolidated Financial Statements and the Registrants' Consolidated Statements of Cash Flows for additional information on **non-cash operating activities**.
- Changes in **collateral** depended upon whether Generation was in a net mark-to-market liability or asset position, and collateral may have been required to be posted with or collected from its counterparties. In addition, the collateral posting and collection requirements differed depending on whether the transactions were on an exchange or in the over-the-counter markets. Changes in collateral for the Registrants are dependent upon the credit exposure of procurement contracts that may require suppliers to post collateral. The amount of cash collateral received from external counterparties increased due to rising energy prices. See Note 9 – Derivative Financial Instruments for additional information.
- See Note 7 — Income Taxes of the Combined Notes to Consolidated Financial Statements and the Registrants' Consolidated Statements of Cash Flows for additional information on **income taxes**.
- See Note 3 — Regulatory Matters of the Combined Notes to Consolidated Financial Statements for additional information on **regulatory assets and liabilities**.
- **Changes in working capital and other assets and liabilities** for the Utility Registrants and Exelon Corporate total $(74) million and for Generation total $1,640 million. The change for Generation primarily relates to the revolving accounts receivable financing arrangement. See Note 6 — Accounts Receivable of the 2021 Form 10-K and the Collection of DPP discussion below for additional information.

Cash Flows from Investing Activities

The following table provides a summary of the change in cash flows from investing activities for the six months ended June 30, 2022 and 2021 by Registrant:

Increase (decrease) in cash flows from investing activities	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Capital expenditures	$ 533	$ (46)	$ (81)	$ 42	$ 113	$ 37	$ 17	$ 60
Investment in NDT fund sales, net	72	—	—	—	—	—	—	—
Collection of DPP	(2,040)	—	—	—	—	—	—	—
Proceeds from sales of assets and businesses	(708)	—	—	—	—	—	—	—
Changes in intercompany money pool	—	—	—	—	—	—	(64)	—
Other investing activities	(13)	3	1	(3)	5	4	1	—
(Decrease) increase in cash flows from investing activities	$ (2,156)	$ (43)	$ (80)	$ 39	$ 118	$ 41	$ (46)	$ 60

Significant investing cash flow impacts for the Registrants for six months ended June 30, 2022 and 2021 were as follows:

- Variances in **capital expenditures** are primarily due to the timing of cash expenditures for capital projects. See the "Credit Matters and Cash Requirements" section below for additional information on projected capital expenditure spending. See Note 2 — Discontinued Operations of the Combined Notes to Consolidated Financial Statements for capital expenditures related to Generation prior to the separation.
- **Collection of DPP** relates to the revolving accounts receivable financing agreement which Generation entered into in April of 2020. See Note 6 — Accounts Receivable of the 2021 Form 10-K for additional information on the transaction and the DPP, including the $400 million of additional funding received in February and March of 2021.
- **Proceeds from sales of assets and businesses** decreased primarily due to the sale of a significant portion of Generation's solar business in 2021. See Note 2 — Mergers, Acquisitions, and Dispositions of the 2021 Form 10-K for additional information.
- Changes in **intercompany money pool** are driven by short-term borrowing needs. Refer below for more information regarding the intercompany money pool.

Cash Flows from Financing Activities

The following table provides a summary of the change in cash flows from financing activities for the six months ended June 30, 2022 and 2021 by Registrant:

Increase (decrease) in cash flows from financing activities	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Changes in short-term borrowings, net	$ 369	$ 290	$ 210	$ (130)	$ (389)	$ (251)	$ (3)	$ (135)
Long-term debt, net	1,619	50	(375)	(100)	124	50	—	74
Changes in intercompany money pool	—	—	40	—	29	64	—	—
Dividends paid on common stock	84	(36)	(31)	(4)	—	(177)	7	191
Distributions to member	—	—	—	—	19	—	—	—
Contributions from(to) parent/member	—	(60)	(168)	186	144	249	24	(130)
Transfer of cash, restricted cash, and cash equivalents to Constellation	(2,594)	—	—	—	—	—	—	—
Other financing activities	(50)	(1)	(4)	(1)	(4)	(4)	(1)	—
(Decrease) increase in cash flows from financing activities	$ (572)	$ 243	$ (328)	$ (49)	$ (77)	$ (69)	$ 27	$ —

Significant financing cash flow impacts for the Registrants for the six months ended June 30, 2022 and 2021 were as follows:

- **Changes in short-term borrowings, net**, is driven by repayments on and issuances of notes due in less than 365 days. Refer to Note 10 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information on short-term borrowings for the Registrants. These changes also included repayments of $552 million in commercial paper and term loans by Generation prior to the separation.
- **Long-term debt, net**, varies due to debt issuances and redemptions each year. Refer to Note 10 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information on debt issuances. Refer to the debt redemptions table below for additional information.
- **Changes in intercompany money pool** are driven by short-term borrowing needs. Refer below for more information regarding the intercompany money pool.
- Exelon's ability to pay **dividends** on its common stock depends on the receipt of dividends paid by its operating subsidiaries. The payments of dividends to Exelon by its subsidiaries in turn depend on their results of operations and cash flows and other items affecting retained earnings. See Note 17 — Commitments and Contingencies of the 2021 Recast Form 10-K for additional information on dividend restrictions. See below for quarterly dividends declared.
- Refer to Note 2 - Discontinued Operations for the **transfer of cash, restricted cash, and cash equivalents to Constellation** related to the separation.
- For the six months ended June 30, 2022, **other financing activities** primarily consists of debt issuance costs. See Note 10 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information of the Registrants' debt issuances.

Debt

See Note 10 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information on the Registrants' debt issuances.

During the six months ended June 30, 2022, the following long-term debt was retired and/or redeemed:

Company[(a)]	Type	Interest Rate	Maturity	Amount
Exelon	Junior Subordinated Notes	3.50 %	May 2, 2022	$ 1,150
Exelon	Long-Term Software License Agreement	3.96 %	May 1, 2024	2
PECO	First Mortgage Bonds	2.375 %	September 15, 2022	350
Pepco	First Mortgage Bonds	3.05 %	April 1, 2022	200

(a) On July 5, 2022, BGE redeemed $250 million of 2.80% senior notes originally due on August 15, 2022.

Dividends

Quarterly dividends declared by the Exelon Board of Directors during the six months ended June 30, 2022 and for the third quarter of 2022 were as follows:

Period	Declaration Date	Shareholder of Record Date	Dividend Payable Date	Cash per Share[(a)]
First Quarter 2022	February 8, 2022	February 25, 2022	March 10, 2022	$ 0.3375
Second Quarter 2022	April 26, 2022	May 13, 2022	June 10, 2022	$ 0.3375
Third Quarter 2022	July 26, 2022	August 15, 2022	September 9, 2022	$ 0.3375

(a) Exelon's Board of Directors approved an updated dividend policy for 2022. The 2022 quarterly dividend will be $0.3375 per share.

Credit Matters and Cash Requirements

The Registrants fund liquidity needs for capital investment, working capital, energy hedging, and other financial commitments through cash flows from continuing operations, public debt offerings, commercial paper markets, and large, diversified credit facilities. The credit facilities include $4.0 billion in aggregate total commitments of which $3.6 billion was available to support additional commercial paper as of June 30, 2022, and of which no financial institution has more than 6% of the aggregate commitments for the Registrants. The Registrants had access to the commercial paper markets and had availability under their revolving credit facilities during the six months ended June 30, 2022 to fund their short-term liquidity needs, when necessary. On February 1, 2022, Exelon Corporate and the Utility Registrants each entered into a new 5-year revolving credit facility that replaced its existing syndicated revolving credit facility. See Note 10 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information. The Registrants routinely review the sufficiency of their liquidity position, including appropriate sizing of credit facility commitments, by performing various stress test scenarios, such as commodity price movements, increases in margin-related transactions, changes in hedging levels, and the impacts of hypothetical credit downgrades. The Registrants have continued to closely monitor events in the financial markets and the financial institutions associated with the credit facilities, including monitoring credit ratings and outlooks, credit default swap levels, capital raising, and merger activity. See PART I. ITEM 1A. RISK FACTORS of the 2021 Form 10-K for additional information regarding the effects of uncertainty in the capital and credit markets.

The Registrants believe their cash flows from operating activities, access to credit markets, and their credit facilities provide sufficient liquidity to support the estimated future cash requirements.

Exelon anticipates issuing up to $1.0 billion of registered shares of common stock through 2025. Exelon plans to establish a $1.0 billion at-the-market (ATM) program, under which Exelon can issue registered shares of common stock through designated broker-dealers at prevailing market prices. Exelon anticipates issuing $500 million in 2022 through the ATM, a one-time common equity offering, or a combination of these methods.

Pursuant to the Separation Agreement between Exelon and Constellation, Exelon made a cash payment of $1.75 billion to Generation on January 31, 2022. See Note 2 — Discontinued Operations of the Combined Notes to Consolidated Financial Statements for additional information on the separation.

The following table presents the incremental collateral that each Utility Registrant would have been required to provide in the event each Utility Registrant lost its investment grade credit rating at June 30, 2022 and available credit facility capacity prior to any incremental collateral at June 30, 2022:

	PJM Credit Policy Collateral	Other Incremental Collateral Required[(a)]	Available Credit Facility Capacity Prior to Any Incremental Collateral
ComEd	$ 12	$ —	$ 995
PECO	2	37	390
BGE	3	75	600
Pepco	3	—	257
DPL	2	15	300
ACE	1	—	300

(a) Represents incremental collateral related to natural gas procurement contracts.

Capital Expenditure Spending

As of June 30, 2022, the most recent estimates of capital expenditures for plant additions and improvements for 2022 are as follows:

(In millions)	Transmission	Distribution	Gas	Total
Exelon	N/A	N/A	N/A	$ 6,900
ComEd	475	2,000	N/A	2,475
PECO	200	825	325	1,350
BGE	250	500	475	1,225
PHI	625	1,150	75	1,850
Pepco	275	625	N/A	900
DPL	150	250	75	475
ACE	200	275	N/A	475

Projected capital expenditures and other investments are subject to periodic review and revision to reflect changes in economic conditions and other factors.

Pension and Other Postretirement Benefits

Management considers various factors when making pension funding decisions, including actuarially determined minimum contribution requirements under ERISA, contributions required to avoid benefit restrictions and at-risk status as defined by the Pension Protection Act of 2006 (the Act), management of the pension obligation, and regulatory implications. The Act requires the attainment of certain funding levels to avoid benefit restrictions (such as an inability to pay lump sums or to accrue benefits prospectively), and at-risk status (which triggers higher minimum contribution requirements and participant notification). The projected contributions reflect a funding strategy to make levelized annual contributions with the objective of achieving 100% funded status on an ABO basis over time. This level funding strategy helps minimize volatility of future period required pension contributions. Post-separation, Exelon's estimated annual qualified pension contributions will be approximately $313 million in 2022. In connection with the separation, additional qualified pension contributions of $207 million and $33 million were completed on February 1, 2022 and March 2, 2022, respectively. Unlike the qualified pension plans, Exelon's non-qualified pension plans are not funded, given that they are not subject to statutory minimum contribution requirements.

While OPEB plans are also not subject to statutory minimum contribution requirements, Exelon does fund certain of its plans. For Exelon's funded OPEB plans, contributions generally equal accounting costs, however, Exelon's management has historically considered several factors in determining the level of contributions to its OPEB plans, including liabilities management, levels of benefit claims paid, and regulatory implications (amounts deemed prudent to meet regulatory expectations and best assure continued rate recovery).

Credit Facilities

Exelon Corporate, ComEd, and BGE meet their short-term liquidity requirements primarily through the issuance of commercial paper. PECO meets its short-term liquidity requirements primarily through the issuance of commercial paper and borrowings from the Exelon intercompany money pool. Pepco, DPL, and ACE meet their short-term liquidity requirements primarily through the issuance of commercial paper and borrowings from the PHI intercompany money pool. PHI Corporate meets its short-term liquidity requirements primarily through the issuance of short-term notes and the Exelon intercompany money pool. The Registrants may use their respective credit facilities for general corporate purposes, including meeting short-term funding requirements and the issuance of letters of credit.

See Note 10 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information on the Registrants' credit facilities and short term borrowing activity.

Security Ratings

The Registrants' access to the capital markets, including the commercial paper market, and their respective financing costs in those markets, may depend on the securities ratings of the entity that is accessing the capital markets.

The Registrants' borrowings are not subject to default or prepayment as a result of a downgrading of securities, although such a downgrading of a Registrant's securities could increase fees and interest charges under that Registrant's credit agreements.

As part of the normal course of business, the Registrants enter into contracts that contain express provisions or otherwise permit the Registrants and their counterparties to demand adequate assurance of future performance when there are reasonable grounds for doing so. In accordance with the contracts and applicable contracts law, if the Registrants are downgraded by a credit rating agency, it is possible that a counterparty would attempt to rely on such a downgrade as a basis for making a demand for adequate assurance of future performance, which could include the posting of collateral. See Note 9 — Derivative Financial Instruments of the Combined Notes to Consolidated Financial Statements for additional information on collateral provisions.

The credit ratings for ComEd, PECO, BGE, and DPL did not change for the six months ended June 30, 2022. On January 14, 2022, Fitch lowered Exelon Corporate's long-term and senior unsecured ratings from BBB+ to BBB and affirmed the short-term rating of F2. In addition, Fitch upgraded Pepco, ACE, and PHI's long-term rating from BBB to BBB+ and upgraded Pepco and ACE's senior secured rating from A- to A.

Intercompany Money Pool

To provide an additional short-term borrowing option that will generally be more favorable to the borrowing participants than the cost of external financing, both Exelon and PHI operate an intercompany money pool. Maximum amounts contributed to and borrowed from the money pool by participant and the net contribution or borrowing as of June 30, 2022, are presented in the following table. ACE had no activity within the PHI intercompany money pool during the six months ended June 30, 2022.

Exelon Intercompany Money Pool	During the Six Months Ended June 30, 2022 Maximum Contributed	Maximum Borrowed	As of June 30, 2022 Contributed (Borrowed)
Exelon Corporate	$ 396	$ —	$ 287
PECO	60	(105)	—
BSC	—	(377)	(308)
PHI Corporate	—	(54)	(24)
PCI	50	—	45

PHI Intercompany Money Pool	During the Six Months Ended June 30, 2022 Maximum Contributed	Maximum Borrowed	As of June 30, 2022 Contributed (Borrowed)
Pepco	$ —	$ (85)	$ (73)
DPL	85	—	73

Shelf Registration Statements

Exelon and the Utility Registrants have a currently effective combined shelf registration statement unlimited in amount, filed with the SEC, that will expire in August 2022. The ability of each Registrant to sell securities off the shelf registration statement or to access the private placement markets will depend on a number of factors at the time of the proposed sale, including other required regulatory approvals, as applicable, the current financial condition of the Registrant, its securities ratings and market conditions.

Regulatory Authorizations

The Utility Registrants are required to obtain short-term and long-term financing authority from Federal and State Commissions as follows:

	As of June 30, 2022					
	Short-term Financing Authority			Remaining Long-term Financing Authority		
	Commission	Expiration Date	Amount	Commission	Expiration Date	Amount
ComEd[(a)]	FERC	December 31, 2023	$ 2,500	ICC	January 1, 2025	$ 1,343
PECO[(b)]	FERC	December 31, 2023	1,500	PAPUC	December 31, 2024	1,550
BGE	FERC	December 31, 2023	700	MDPSC	N/A	—
Pepco[(c)]	FERC	December 31, 2023	500	MDPSC / DCPSC	2022 & 2025	1,625
DPL	FERC	December 31, 2023	500	MDPSC / DEPSC	December 31, 2022	47
ACE[(d)]	NJBPU	December 31, 2023	350	NJBPU	December 31, 2022	—

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(a) On November 18, 2021, ComEd received approval from the ICC for $2 billion in new money long-term debt financing authority with an effective date of January 1, 2022.
(b) On December 2, 2021, PECO received approval from the PAPUC for $2.5 billion in new long-term debt financing authority with an effective date of January 1, 2022.
(c) As of June 30, 2022, Pepco had $225 million in long-term financing authority from the MDPSC and DCPSC, which has an expiration date of December 31, 2022. On June 9, 2022 and June 30, 2022, Pepco received approval from the MDPSC and DCPSC, respectively, for $1.4 billion in new long-term financing authority. The long-term financing authority became effective on the date of respective approvals and has an expiration date of December 31, 2025.
(d) On July 13, 2022, ACE received approval from the NJBPU for $700 million in new long-term debt financing authority with an effective date of July 20, 2022.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Registrants hold commodity and financial instruments that are exposed to the following market risks:

- Commodity price risk, which is discussed further below.
- Counterparty credit risk associated with non-performance by counterparties on executed derivative instruments and participation in all, or some of the established, wholesale spot energy markets that are administered by PJM. The credit policies of PJM may, under certain circumstances, require that losses arising from the default of one member on spot energy market transactions be shared by the remaining participants. See Note 9 — Derivative Financial Instruments of the Combined Notes to Consolidated Financial Statements for a detailed discussion of counterparty credit risk related to derivative instruments.
- Equity price and interest rate risk associated with Exelon’s pension and OPEB plan trusts. See Note 13 — Retirement Benefits of the 2021 Recast Form 10-K for additional information.
- Interest rate risk associated with changes in interest rates for the Registrants’ outstanding long-term debt. This risk is significantly reduced as substantially all of the Registrants’ outstanding debt has fixed interest rates. There is inherent interest rate risk related to refinancing maturing debt by issuing new long-term debt. The Registrants use a combination of fixed-rate and variable-rate debt to manage interest rate exposure. See Note 10 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information.

The Registrants operate primarily under cost-based rate regulation limiting exposure to the effects of market risk. Hedging programs are utilized to reduce exposure to energy and natural gas price volatility and have no direct earnings impacts as the costs are fully recovered through regulatory-approved recovery mechanisms.

Exelon manages these risks through risk management policies and objectives for risk assessment, control and valuation, counterparty credit approval, and the monitoring and reporting of risk exposures. Risk management issues are reported to Exelon’s Executive Committee, the Risk Management Committees of each Utility Registrant, and the Audit and Risk Committee of Exelon’s Board of Directors.

Commodity Price Risk

Commodity price risk is associated with price movements resulting from changes in supply and demand, fuel costs, market liquidity, weather conditions, governmental regulatory and environmental policies, and other factors. To the extent the total amount of energy Exelon purchases differs from the amount of energy it has contracted to sell, Exelon is exposed to market fluctuations in commodity prices. Exelon seeks to mitigate its commodity price risk through the sale and purchase of electricity and natural gas.

ComEd entered into 20-year floating-to-fixed renewable energy swap contracts beginning in June 2012, which are considered an economic hedge and have changes in fair value recorded to an offsetting regulatory asset or liability. ComEd has block energy contracts to procure electric supply that are executed through a competitive procurement process, which are considered derivatives and qualify for NPNS, and as a result are accounted for on an accrual basis of accounting. PECO, BGE, Pepco, DPL, and ACE have contracts to procure electric supply that are executed through a competitive procurement process. PECO, BGE, Pepco, DPL, and ACE have certain full requirements contracts, which are considered derivatives and qualify for NPNS, and as a result are accounted for on an accrual basis of accounting. Other full requirements contracts are not derivatives.

PECO, BGE, and DPL also have executed derivative natural gas contracts, which either qualify for NPNS or have no mark-to-market balances because the derivatives are index priced, to hedge their long-term price risk in the natural gas market. The hedging programs for natural gas procurement have no direct impact on their financial statements.

For additional information on these contracts, see Note 9 — Derivative Financial Instruments and Note 11 — Fair Value of Financial Assets and Liabilities of the Combined Notes to Consolidated Financial Statements.

The following table presents the maturity and source of fair value for Exelon’s and ComEd’s mark-to-market commodity contract net liabilities. These net liabilities are associated with ComEd’s floating-to-fixed energy swap contracts with unaffiliated suppliers. The table provides two fundamental pieces of information. First, the table provides the source of fair value used in determining the carrying amount of Exelon's and ComEd's total mark-to-market net liabilities. Second, the table shows the maturity, by year, of Exelon's and ComEd's commodity contract net liabilities giving an indication of when these mark-to-market amounts will settle and either generate or require cash. See Note 11 — Fair Value of Financial Assets and Liabilities of the Combined Notes to Consolidated Financial Statements for additional information regarding fair value measurements and the fair value hierarchy.

	Maturities Within						
	2022	2023	2024	2025	2026	2027 and Beyond	Total Fair Value
Prices based on model or other valuation methods (Level 3)	$ 11	$ (2)	$ (14)	$ (16)	$ (15)	$ (52)	$ (88)

ITEM 4. CONTROLS AND PROCEDURES

During the second quarter of 2022, each of the Registrants' management, including its principal executive officer and principal financial officer, evaluated its disclosure controls and procedures related to the recording, processing, summarizing, and reporting of information in its periodic reports that it files with the SEC. These disclosure controls and procedures have been designed by the Registrants to ensure that (a) material information relating to that Registrant, including its consolidated subsidiaries, is accumulated and made known to that Registrant's management, including its principal executive officer and principal financial officer, by other employees of that Registrant and its subsidiaries as appropriate to allow timely decisions regarding required disclosure, and (b) this information is recorded, processed, summarized, evaluated, and reported, as applicable, within the time periods specified in the SEC's rules and forms. Due to the inherent limitations of control systems, not all misstatements may be detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls could be circumvented by the individual acts of some persons or by collusion of two or more people.

Accordingly, as of June 30, 2022, the principal executive officer and principal financial officer of each of the Registrants concluded that such Registrant's disclosure controls and procedures were effective to accomplish its objectives. The Registrants continually strive to improve their disclosure controls and procedures to enhance the quality of its financial reporting and to maintain dynamic systems that change as conditions warrant. There were no changes in internal control over financial reporting during the second quarter of 2022 that materially affected, or are reasonably likely to materially affect, any of the Registrants' internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Registrants are parties to various lawsuits and regulatory proceedings in the ordinary course of their respective businesses. For information regarding material lawsuits and proceedings, see (a) ITEM 3. LEGAL PROCEEDINGS of the 2021 Form 10-K, (b) Notes 3 — Regulatory Matters and 17 — Commitments and Contingencies of the 2021 Recast Form 10-K, and (c) Notes 3 — Regulatory Matters and 12 — Commitments and Contingencies of the Combined Notes to Consolidated Financial Statements in PART I, ITEM 1. FINANCIAL STATEMENTS of this Report. Such descriptions are incorporated herein by these references.

ITEM 1A. RISK FACTORS

Risks Related to All Registrants

At June 30, 2022, the Registrants' risk factors were consistent with the risk factors described in the 2021 Form 10-K in ITEM 1A. RISK FACTORS, except for the updates below.

The Registrants are subject to physical security and cybersecurity risks (All Registrants).

The Registrants face physical security and cybersecurity risks. Threat sources, including sophisticated nation-state actors, continue to seek to exploit potential vulnerabilities in the electric and natural gas utility industry, grid infrastructure, and other energy infrastructures, and these attacks and disruptions, both physical and cyber, are becoming increasingly sophisticated and dynamic. Continued implementation of advanced digital technologies increases the potentially unfavorable impacts of such attacks. Additionally, the U.S. government has warned that the Ukraine conflict may increase the risks of attacks targeting critical infrastructure in the United States.

A security breach of the Registrants' physical assets or information systems or those of the Registrants competitors, vendors, business partners and interconnected entities in RTOs and ISOs, or regulators could impact the operation of the generation fleet and/or reliability of the transmission and distribution system or result in the theft or inappropriate release of certain types of information, including critical infrastructure information, sensitive customer, vendor, and employee data, trading or other confidential data. The risk of these system-related events and security breaches occurring continues to intensify, and while the Registrants have been, and will likely continue to be, subjected to physical and cyber-attacks, to date none have directly experienced a material breach or disruption to its network or information systems or our operations. However, as such attacks continue to increase in sophistication and frequency, the Registrants may be unable to prevent all such attacks in the future.

If a significant breach were to occur, the Registrants' reputation could be negatively affected, customer confidence in the Registrants or others in the industry could be diminished, or the Registrants could be subject to legal claims, loss of revenues, increased costs, or operations shutdown. Moreover, the amount and scope of insurance maintained against losses resulting from any such events or security breaches may not be sufficient to cover losses or otherwise adequately compensate for any disruptions to business that could result.

The Utility Registrants' deployment of smart meters throughout their service territories could increase the risk of damage from an intentional disruption of the system by third parties.

In addition, new or updated security regulations or unforeseen threat sources could require changes in current measures taken by the Registrants or their business operations and could adversely affect their consolidated financial statements.

ITEM 4. MINE SAFETY DISCLOSURES

All Registrants

Not applicable to the Registrants.

ITEM 5. OTHER INFORMATION

Amendments to Exelon Governing Documents

On August 3, 2022, Exelon adopted Amended and Restated Bylaws (the “Bylaws”), effective as of that date. Amendments contained in the Bylaws include the addition of language to amend Exelon's advance notice provisions to address the adoption by the Securities and Exchange Commission of universal proxy rules, reorganization of certain sections, and other minor edits to address certain administrative and other non-material matters.

ITEM 6. EXHIBITS

Certain of the following exhibits are incorporated herein by reference under Rule 12b-32 of the Securities and Exchange Act of 1934, as amended. Certain other instruments which would otherwise be required to be listed below have not been so listed because such instruments do not authorize securities in an amount which exceeds 10% of the total assets of the applicable Registrant and its subsidiaries on a consolidated basis and the relevant Registrant agrees to furnish a copy of any such instrument to the Commission upon request.

Exhibit No.	Description
3.1*	Exelon Corporation Amended and Restated Bylaws dated as of August 3, 2022
4.1	One Hundred and Twenty-First Supplemental Indenture dated as of May 1, 2022, among PECO Energy Company and U.S. Bank , N.A., as trustee (File 001-16844, Form 8-K dated May 24, 2022, Exhibit 4.1)
4.2	Form of 4.550% Note due 2052 issued June 6, 2022 by Baltimore Gas and Electric Company (File 001-01910, Form 8-K dated June 6, 2022, Exhibit 4.2)
14*	Exelon Code of Business Conduct, as amended June 20, 2022
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*Filed herewith

Certifications Pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2022 filed by the following officers for the following companies:

Exhibit No.	Description
31-1	Filed by Christopher M. Crane for Exelon Corporation
31-2	Filed by Joseph Nigro for Exelon Corporation
31-3	Filed by Gil C. Quiniones for Commonwealth Edison Company
31-4	Filed by Elisabeth J. Graham for Commonwealth Edison Company
31-5	Filed by Michael A. Innocenzo for PECO Energy Company
31-6	Filed by Robert J. Stefani for PECO Energy Company
31-7	Filed by Carim V. Khouzami for Baltimore Gas and Electric Company
31-8	Filed by David M. Vahos for Baltimore Gas and Electric Company
31-9	Filed by J. Tyler Anthony for Pepco Holdings LLC
31-10	Filed by Phillip S. Barnett for Pepco Holdings LLC
31-11	Filed by J. Tyler Anthony for Potomac Electric Power Company
31-12	Filed by Phillip S. Barnett for Potomac Electric Power Company
31-13	Filed by J. Tyler Anthony for Delmarva Power & Light Company
31-14	Filed by Phillip S. Barnett for Delmarva Power & Light Company
31-15	Filed by J. Tyler Anthony for Atlantic City Electric Company
31-16	Filed by Phillip S. Barnett for Atlantic City Electric Company

Certifications Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code (Sarbanes — Oxley Act of 2002) as to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2022 filed by the following officers for the following companies:

Exhibit No.	Description
32-1	Filed by Christopher M. Crane for Exelon Corporation
32-2	Filed by Joseph Nigro for Exelon Corporation
32-3	Filed by Gil C. Quiniones for Commonwealth Edison Company
32-4	Filed by Elisabeth J. Graham for Commonwealth Edison Company
32-5	Filed by Michael A. Innocenzo for PECO Energy Company
32-6	Filed by Robert J. Stefani for PECO Energy Company
32-7	Filed by Carim V. Khouzami for Baltimore Gas and Electric Company
32-8	Filed by David M. Vahos for Baltimore Gas and Electric Company
32-9	Filed by J. Tyler Anthony for Pepco Holdings LLC
32-10	Filed by Phillip S. Barnett for Pepco Holdings LLC
32-11	Filed by J. Tyler Anthony for Potomac Electric Power Company
32-12	Filed by Phillip S. Barnett for Potomac Electric Power Company
32-13	Filed by J. Tyler Anthony for Delmarva Power & Light Company
32-14	Filed by Phillip S. Barnett for Delmarva Power & Light Company
32-15	Filed by J. Tyler Anthony for Atlantic City Electric Company
32-16	Filed by Phillip S. Barnett for Atlantic City Electric Company

SIGNATURES

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

EXELON CORPORATION

/s/ CHRISTOPHER M. CRANE	/s/ JOSEPH NIGRO
Christopher M. Crane	Joseph Nigro
President, Chief Executive Officer (Principal Executive Officer) and Director	Senior Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ JOSEPH R. TRPIK	
Joseph R. Trpik	
Senior Vice President and Corporate Controller (Principal Accounting Officer)	

August 3, 2022

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

COMMONWEALTH EDISON COMPANY

/s/ GIL C. QUINIONES	/s/ ELISABETH J. GRAHAM
Gil C. Quiniones	Elisabeth J. Graham
Chief Executive Officer (Principal Executive Officer)	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
/s/ STEVEN J. CICHOCKI	
Steven J. Cichocki	
Director, Accounting (Principal Accounting Officer)	

August 3, 2022

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

PECO ENERGY COMPANY

/s/ MICHAEL A. INNOCENZO	/s/ ROBERT J. STEFANI
Michael A. Innocenzo	Robert J. Stefani
President and Chief Executive Officer (Principal Executive Officer)	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
/s/ CAROLINE FULGINITI	
Caroline Fulginiti	
Director, Accounting (Principal Accounting Officer)	

August 3, 2022

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

BALTIMORE GAS AND ELECTRIC COMPANY

/s/ CARIM V. KHOUZAMI	/s/ DAVID M. VAHOS
Carim V. Khouzami	David M. Vahos
Chief Executive Officer (Principal Executive Officer)	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
/s/ JASON T. JONES	
Jason T. Jones	
Director, Accounting (Principal Accounting Officer)	

August 3, 2022

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

PEPCO HOLDINGS LLC

/s/ J. TYLER ANTHONY	/s/ PHILLIP S. BARNETT
J. Tyler Anthony President and Chief Executive Officer (Principal Executive Officer)	Phillip S. Barnett Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
/s/ JULIE E. GIESE	
Julie E. Giese Director, Accounting (Principal Accounting Officer)	

August 3, 2022

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

POTOMAC ELECTRIC POWER COMPANY

/s/ J. TYLER ANTHONY	/s/ PHILLIP S. BARNETT
J. Tyler Anthony	Phillip S. Barnett
President and Chief Executive Officer (Principal Executive Officer)	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
/s/ JULIE E. GIESE	
Julie E. Giese	
Director, Accounting (Principal Accounting Officer)	

August 3, 2022

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

DELMARVA POWER & LIGHT COMPANY

/s/ J. TYLER ANTHONY	/s/ PHILLIP S. BARNETT
J. Tyler Anthony	Phillip S. Barnett
President and Chief Executive Officer (Principal Executive Officer)	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
/s/ JULIE E. GIESE	
Julie E. Giese	
Director, Accounting (Principal Accounting Officer)	

August 3, 2022

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

ATLANTIC CITY ELECTRIC COMPANY

/s/ J. TYLER ANTHONY	/s/ PHILLIP S. BARNETT
J. Tyler Anthony President and Chief Executive Officer (Principal Executive Officer)	Phillip S. Barnett Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
/s/ JULIE E. GIESE	
Julie E. Giese Director, Accounting (Principal Accounting Officer)	

August 3, 2022

EXELON CORPORATION

**AMENDED AND RESTATED
BYLAWS**

(Amended and Restated effective August 3, 2022)

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

ARTICLE I.
Offices

Section 1.01 <u>**Registered Office**</u>. The registered office of Exelon Corporation (the "***corporation***") shall be in the City of Erie, in the County of Erie, in the Commonwealth of Pennsylvania. The address of the registered office may be changed from time to time by the corporation's board of directors (the "***board***" or the "***board of directors***").

Section 1.02 <u>**Other Offices**</u>. The corporation may also have offices at such other places within or without the Commonwealth of Pennsylvania as the board of directors may from time to time appoint or as may be necessary, advisable, or appropriate for the business of the corporation.

ARTICLE II.
Shareholders

Section 2.01 <u>**Place of Meetings; Use of Conference Telephone and Similar Equipment**</u>. Meetings of the shareholders of the corporation may be held at such place, if any, within or without the Commonwealth of Pennsylvania as may be designated by the board of directors, or in the absence of a designation by the board of directors, by the chair of the board or the chief executive officer and stated in the notice of a meeting. The board of directors may provide by resolution with respect to a specific meeting of shareholders or with respect to a class of meetings of shareholders that one or more persons may participate in a meeting of the shareholders of the corporation by means of conference telephone or other electronic technology by means of which all persons participating in the meeting can hear each other. If a meeting of the shareholders is held by means of the Internet or other electronic communications technology in a fashion pursuant to which the shareholders have the opportunity to read or hear the proceedings substantially concurrently with their occurrence, vote on matters submitted to the shareholders, pose questions to the directors, make appropriate motions and comment on the business of the meeting, the meeting need not be held at a particular geographic location. Except as otherwise provided in these bylaws, the presence or participation, including voting and taking other action, at a meeting of shareholders by conference telephone or other electronic means, including, without limitation, the Internet, shall constitute the presence of, or vote or action by, the shareholder.

Section 2.02 <u>**Annual Meeting**</u>. The annual meeting of the shareholders for the election of directors and the transaction of other business, if any, shall be held on such date and time as may be fixed by the board and stated in the notice of meeting. Failure to hold such meeting at the designated time or on the designated date or to elect some or all of the members of the board at such meeting or any adjournment thereof shall not affect otherwise valid corporate acts or work a dissolution of the corporation. If the annual meeting shall not have been called and held within six months after the designated time, any shareholder may call the meeting at any time thereafter.

Section 2.03 <u>**Special Meetings**</u>. Special meetings of the shareholders may be called at any time by resolution of the board of directors, which may fix the date, time, and place, if any, of the meeting, and shall be called as provided in the terms of the Preferred Stock (as defined in the corporation's amended and restated articles of incorporation (as may be further amended in accordance with their terms, the "articles")). If the board does not fix the date, time, or place, if any, of the meeting, it shall be the duty of the secretary to do so. A date fixed by the secretary shall not be more than sixty (60) calendar days after the date of the action calling the special meeting.

Section 2.04 Notice of Meetings.

(a) General Rule. Notice in record form (as defined below) of every meeting of the shareholders shall be given in accordance with Article V of these bylaws by, or at the direction of, the corporation's secretary (the "***secretary***") or other authorized person to each shareholder of record entitled to vote at the meeting at least (i) ten (10) days prior to the day named for a meeting that will consider a transaction under Chapter 3 of the Pennsylvania Business Corporation Law, as amended (the "***PBCL***") or a fundamental change under Chapter 19 of the PBCL or (ii) five (5) days prior to the date of the meeting. Written notice of any meeting of shareholders may be sent by any class of mail, postage prepaid, so long as such notice is sent at least twenty (20) calendar days prior to the date of the meeting. If the secretary or other authorized person neglects or refuses to give notice of a meeting, the person or persons calling the meeting may do so. In the case of a special meeting of shareholders, the notice shall specify the general nature of the business to be transacted. For purposes of the corporation's amended and restated bylaws (as may be further amended from time in accordance with their terms, these "***bylaws***"), "***record form***" shall mean inscribed on a tangible medium or stored in an electronic or other medium and retrievable in perceivable form. Notwithstanding the foregoing, if the corporation solicits proxies generally with respect to a meeting of its shareholders, the corporation is not required to give notice of the meeting to any shareholder to whom the corporation is not required to send a proxy statement pursuant to the rules of the Securities and Exchange Commission.

(b) Notice of Action by Shareholders on Articles. In the case of a meeting of shareholders that has as one of its purposes adoption, amendment or repeal of the articles, notice in record form shall be given to each shareholder entitled to vote thereon, and the notice shall include the proposed amendment or a summary of the changes to be effected thereby and, if Subchapter D of Chapter 15 (relating to dissenters rights) of the PBCL is applicable, the text of that subchapter.

(c) Notice of Action by Shareholders on Bylaws. In the case of a meeting of shareholders that has as one of its purposes adoption, amendment or repeal of these bylaws, written notice shall be given to each shareholder that the purpose, or one of the purposes, of the meeting is to consider the adoption, amendment, or repeal of these bylaws. There shall be included in, or enclosed with, the notice a copy of the proposed amendment or a summary of the changes to be effected thereby.

(d) Shareholders Without Forwarding Addresses. Notice or other communications need not be sent to any shareholder with whom the corporation has been unable to communicate for more than 24 consecutive months because communications to the shareholder are returned unclaimed or the shareholder has otherwise failed to provide the corporation with a current address. Whenever the shareholder provides the corporation with a current address, the corporation shall recommence sending notices and other communications to the shareholder in the manner provided by these bylaws.

(e) Adjourned Shareholder Meetings. When a meeting of shareholders is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which the adjournment is taken, unless the board fixes a new record date for the adjourned meeting or the PBCL requires notice of the business to be transacted and such notice has not previously been given.

Section 2.05 Quorum and Adjournment.

(a) General Rule. A meeting of the shareholders of the corporation duly called shall not be organized for the transaction of business unless a quorum is present. Except as otherwise provided in the terms of the Preferred Stock, the presence of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast on a particular matter to be acted upon at the meeting shall constitute a quorum for the purposes of consideration and action on the matter. Shares of the corporation owned, directly or indirectly, by it shall not be counted in determining the total number of outstanding shares for quorum purposes at any given time.

(b) Withdrawal of a Quorum. The shareholders present at a duly organized meeting can continue to do business until adjournment notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

(c) Adjournments Generally. Any regular or special meeting of the shareholders, including one at which directors are to be elected, may be adjourned for such period as the shareholders present and entitled to vote shall direct.

(d) Action in Absence of Quorum. If a meeting cannot be organized because a quorum has not attended, those present may, except as otherwise provided in the PBCL, adjourn the meeting to such time and place, if any, as they may determine. Those shareholders entitled to vote who attend a meeting of shareholders at which directors are to be elected that has been previously adjourned for lack of a quorum, although less than a quorum as fixed in Section 1756 of the PBCL or this Section 3.04, shall nevertheless constitute a quorum for the purpose of electing directors. Those shareholders entitled to vote who attend a meeting of shareholders that has previously been adjourned for one or more periods aggregating at least fifteen (15) days because of an absence of a quorum, although less than a quorum as fixed in Section 1756 of the PBCL or this Section 3.04, shall nevertheless constitute a quorum for the purpose of acting upon any matter set forth in the notice of the meeting if the notice states that those shareholders who attend the adjourned meeting shall nevertheless constitute a quorum for the purpose of acting upon the matter.

Section 2.06 Action by Shareholders. Except as otherwise provided in the PBCL or by the articles or these bylaws, whenever any corporate action is to be taken by vote of the shareholders of the corporation, it shall be authorized upon receiving the affirmative vote of a majority of the votes cast by all shareholders entitled to vote thereon and, if any shareholders are entitled to vote thereon as a class, upon receiving the affirmative vote of a majority of the votes cast by the shareholders entitled to vote as a class, in each case at a duly organized meeting of shareholders. Except as otherwise provided in the terms of the Preferred Stock or when acting by unanimous consent to remove a director or directors, any action required or permitted to be taken by the shareholders of the corporation must be effected at a duly called annual or special meeting of the shareholders of the corporation and may not be effected by written consent in lieu of a meeting.

Section 2.07 Organization.

(a) Presiding Officer and Secretary of Meeting. At every meeting of the shareholders, the chair of the board, or such other director or officer of the corporation designated by the board, will act as the chairperson (the "***presiding officer***") of the meeting. The secretary or, in the absence of the secretary, an assistant secretary, or, in the absence of both the secretary and assistant secretaries, a person appointed by the presiding officer of the meeting, shall act as secretary of the meeting.

(b) Rules of Conduct. Unless otherwise determined by the board of directors, the presiding officer of the meeting of shareholders will determine the order of business and have the right and authority to convene and (for any or no reason) to recess or adjourn the meeting, to make such rules, regulations, or procedures for the conduct of meetings of shareholders and to do all such acts as such presiding officer deems necessary, appropriate, or convenient for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the board or prescribed by the presiding officer, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) removal of any shareholder or any other individual who refuses to comply with the meeting rules, regulations or procedures; (iii) the rules, regulations and procedures for maintaining order at the meeting and the safety of those present; (iv) limitations on attendance at or participation in such meeting to shareholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the board of directors or the presiding officer shall permit; (v) restrictions on entry to the meeting after the time fixed for the commencement thereof; (vi) limitations on the time allotted to questions or comment by participants; (vii) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (viii) the conclusion, recess or adjournment of the meeting, regardless of whether a quorum is present, to a later date and time and at a place, if any, announced at the meeting; (ix) restrictions on the use of audio and video recording devices, cell phones and other electronic devices; (x) rules, regulations and procedures for compliance with any federal, state or local laws or regulations, without limitation, those concerning safety, health or security; (xi) procedures (if any) requiring attendees to provide the corporation advance notice of their intent to attend the meeting; and (xii) any rules, regulations or procedures as the board or the presiding officer may deem appropriate regarding the participation by means of remote communication of shareholders and proxyholders not physically present at a meeting, whether such meeting is to be held at a designated place or solely by means of remote communication. Any action by the presiding officer in adopting rules for, and in conducting, a meeting shall be fair to the shareholders. Unless, and to the extent determined by the board of directors or the presiding officer of the meeting, meetings of shareholders need not be conducted in accordance with rules of parliamentary procedure.

(c) Closing of the Polls. The presiding officer shall announce at the meeting when the polls close for each matter voted upon. If no announcement is made, the polls shall be deemed to have closed upon the final adjournment of the meeting. After the polls close, no ballots, proxies, or votes, nor any revocations or changes thereto, may be accepted.

Section 2.08 Voting Rights of Shareholders. At all meetings of the shareholders of the corporation the holders of common stock shall be entitled to one vote for each share of common stock held by them, respectively.

Section 2.09 Voting and Other Action by Proxy.

(a) General Rule.

(i) Every shareholder entitled to vote at a meeting of shareholders may authorize another person to act for the shareholder by proxy.

(ii) The presence of, or vote or other action on behalf of a shareholder at a meeting of shareholders by a proxy of a shareholder shall constitute the presence of, or vote or action by, the shareholder.

(iii) Where two or more proxies of a shareholder are present, the corporation shall, unless otherwise expressly provided in the proxy, accept as the vote or other action of all shares represented thereby the vote cast or other action taken by a majority of them and, if a majority of the proxies cannot agree whether the shares represented shall be voted, or upon the manner of voting the shares or taking the other action, the voting of the shares or right to take other action shall be divided equally among those persons.

(iv) A proxy marked "abstain" by a shareholder with respect to a particular proposal shall not be voted either for or against such proposal and shall not be considered "cast" with respect to such proposals. In any election of directors, any form of proxy in which the directors to be voted upon are named therein as candidates and which is marked by a shareholder "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld shall not be voted either for or against the election of a director and shall not be considered "cast" with respect to such elections.

(b) Form of Proxy. Every proxy shall be in a form approved by the secretary or as otherwise provided by the PBCL.

(c) Revocation. A proxy, unless coupled with an interest, shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until notice thereof has been given to the secretary of the corporation or his or her designated agent in writing or by electronic transmission. An unrevoked proxy shall not be valid after three years from the date of its signature, authentication, or transmission unless a longer time is expressly provided therein. A proxy shall not be revoked by the death or incapacity of the maker unless, before the vote is counted or the authority is exercised, notice in record form of the death or incapacity is given to the secretary or his or her designated agent.

(d) Expenses. The corporation shall pay the reasonable expenses of solicitation of votes or proxies of shareholders by or on behalf of the board of directors or its nominees for election to the board, including solicitation by professional proxy solicitors and otherwise.

Section 2.10 Voting by Fiduciaries and Pledgees. Shares of the corporation standing in the name of a trustee or other fiduciary and shares held by an assignee for the benefit of creditors or by a receiver may be voted by the trustee, fiduciary, assignee, or receiver. A shareholder whose shares are pledged shall be entitled to vote the shares until the shares have been transferred into the name of the pledgee, or a nominee of the pledgee, but nothing in this Section 2.10 shall affect the validity of a proxy given to a pledgee or nominee.

Section 2.11 Voting by Joint Holders of Shares.

(a) General Rule. Where shares of the corporation are held jointly or as tenants in common by two or more persons, as fiduciaries or otherwise:

(i) if only one or more of such persons is present in person or by proxy, all of the shares standing in the names of such persons shall be deemed to be represented for the purpose of determining a quorum and the corporation shall accept as the vote of all the shares the vote cast by a joint owner or a majority of them; and

(ii) if the persons are equally divided upon whether the shares held by them shall be voted or upon the manner of voting the shares, the voting of the shares shall be divided equally among the persons without prejudice to the rights of the joint owners or the beneficial owners thereof among themselves.

(b) Exception. If there has been filed with the secretary a copy, certified by an attorney-at-law to be correct, of the relevant portions of the agreement under which the shares are held or the instrument by which the trust or estate was created or the order of court appointing them or of an order of court directing the voting of the shares, the persons specified as having such voting power in the latest document so filed, and only those persons, shall be entitled to vote the shares but only in accordance therewith.

Section 2.12 Voting by Corporations.

(a) Voting by Corporate Shareholders. Any other domestic or foreign corporation for profit or not-for-profit that is a shareholder of the corporation may vote by any of its officers or agents, or by proxy appointed by any officer or agent, unless some other person, by resolution of the board of directors of the other corporation or a provision of its articles or bylaws, a copy of which resolution or provision certified to be correct by one of its officers has been filed with the secretary, is appointed its general or special proxy in which case that person shall be entitled to vote the shares.

(b) Controlled Shares. Shares of the corporation owned, directly or indirectly, by it and controlled, directly or indirectly, by the board of directors of the corporation, as such, shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares for voting purposes at any given time.

Section 2.13 Determination of Shareholders of Record.

(a) Fixing Record Date. The board of directors may fix a time prior to the date of any meeting of shareholders as a record date for the determination of the shareholders entitled to notice of, or to vote at, the meeting, which time, except in the case of an adjourned meeting, shall be not more than ninety (90) calendar days prior to the date of the meeting of shareholders. Only shareholders of record on the date fixed shall be so entitled notwithstanding any transfer of shares on the books of the corporation after any record date fixed as provided in this Section 2.13(a). The board of directors may similarly fix a record date for the determination of shareholders of record for any other purpose, except that the record date fixed to determine the holders of Preferred Stock entitled to receive dividends thereon shall not precede the respective dividend payment date by more than forty (40) calendar days. When a determination of shareholders of record has been made as provided in this Section 2.13(a) for purposes of a meeting, the determination shall apply to any adjournment thereof unless the board fixes a new record date for the adjourned meeting.

(b) Determination When Record Date Is Not Fixed. If a record date is not fixed: (i) the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given, and (ii) the record date for determining shareholders for any other purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

(c) Certification by Nominee. The board of directors may adopt a procedure whereby a shareholder of the corporation may certify in writing to the corporation that all or a portion of the shares registered in the name of the shareholder are held for the account of a specified person or persons. Upon receipt by the corporation of a certification complying with the procedure, the persons specified in the certification shall be deemed, for the purposes set forth in the certification, to be the holders of record of the number of shares specified in place of the shareholder making the certification.

Section 2.14 Voting Lists.

(a) General Rule. The officer or agent having charge of the transfer books for shares of the corporation shall make a complete list of the shareholders entitled to vote at any meeting of shareholders, arranged in alphabetical order, with the address of and the number of shares held by each. This Section 2.14(a) does not require the corporation to include electronic mail addresses or other electronic contact information on the list. The corporation shall not be required to produce or make available to its shareholders a list of shareholders in connection with any meeting of its shareholders for which a judge or judges of election are appointed, but such a list shall be furnished to the judge or judges of election.

(b) Effect of List. Failure to comply with the requirements of this Section 2.14 shall not affect the validity of any action taken at a meeting prior to a demand at the meeting by any shareholder entitled to vote thereat to examine the list. The original share register or transfer book, or a duplicate thereof kept in the Commonwealth of Pennsylvania, shall be *prima facie* evidence as to who are the shareholders entitled to examine the list or share register or transfer book or to vote at any meeting of shareholders.

Section 2.15 Judges of Election.

(a) Appointment. In advance of any meeting of shareholders of the corporation, the board of directors may appoint judges of election, who need not be shareholders, to act at the meeting or any adjournment thereof. If judges of election are not so appointed, the presiding officer of the meeting may, and at the request of any shareholder shall, appoint judges of election at the meeting. The number of judges shall be one or three. A person who is a candidate for an office to be filled at the meeting shall not act as a judge.

(b) Vacancies. In case any person appointed as a judge fails to appear or fails or refuses to act, the vacancy may be filled by appointment made by the board of directors in advance of the convening of the meeting or at the meeting by the presiding officer thereof.

(c) Duties. The judges of election shall (i) determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity and effect of proxies, (ii) receive votes or ballots, (iii) hear and determine all challenges and questions in any way arising in connection with the right to vote, (iv) count and tabulate all votes, (v) determine the result and (vi) do such acts as may be proper to conduct the election or vote with fairness to all shareholders. The judges of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three judges of election, the decision, act, or certificate of a majority shall be effective in all respects as the decision, act, or certificate of all.

(d) Report. On request of the presiding officer of the meeting or of any shareholder, the judges shall make a report in writing of any challenge, question, or matter determined by them, and execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated therein.

Section 2.16 Minors as Security Holders. The corporation may treat a minor who holds shares or obligations of the corporation as having capacity to receive and to empower others to receive dividends, interest, principal and other payments or distributions, to vote or express consent or dissent and to make elections and exercise rights relating to such shares or obligations unless, in the case of payments or distributions on shares, the corporate officer responsible for maintaining the list of shareholders or the transfer agent of the corporation or, in the case of payments or distributions on obligations, the treasurer or paying officer or agent has received written notice that the holder is a minor.

Section 2.17 Conduct of Business; Notice of Shareholder Proposals and Director Nominations; Proxy Access.

(a) Annual Meetings of Shareholders. Nominations of persons for election to the board and the proposal of business other than nominations to be considered by the shareholders may be made at an annual meeting of shareholders only: (i) pursuant to the corporation's notice of meeting (or any supplement thereto) with respect to such annual meeting given by or at the direction of the board, (ii) otherwise properly brought before such annual meeting by or at the direction of the board or (iii) by any shareholder of the corporation who (A) is a shareholder of record at the time of the giving of the notice provided for in this Section 2.17 through the date of such annual meeting, (B) is entitled to vote at such annual meeting and (C) complies with the notice procedures set forth in this Section 2.17 as applicable. For the avoidance of doubt, compliance with the foregoing clause (iii) shall be the exclusive means for a shareholder to make nominations, or to propose any other business (other than a proposal included in the corporation's proxy materials pursuant to and in compliance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended (such act, and the rules and regulations promulgated thereunder, the "***Exchange Act***")), at an annual meeting of shareholders.

(b) Timing of Notice for Annual Meetings. In addition to any other applicable requirements, for nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to Section 2.17 (a)(iii), the shareholder must have given timely notice thereof in proper written form to the secretary, and, in the case of business other than nominations, such business must be a proper matter for shareholder action. To be timely, such notice must be received by the secretary at the principal executive offices of the corporation not later than the Close of Business (as defined below) on the one hundred twentieth (120th) day, or earlier than the Close of Business on the one hundred fiftieth (150th) day, prior to the first anniversary of the date on which the corporation first mailed its proxy materials to shareholders for the immediately preceding year's annual meeting of shareholders; *provided*, *however*, that if the date of the annual meeting of shareholders is more than thirty (30) days prior to, or more than sixty (60) days after, the first anniversary of the date of the preceding year's annual meeting or if no annual meeting was held in the preceding year, to be timely, a shareholder's notice must be so received not earlier than the Close of Business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the Close of Business on the later of (i) the ninetieth (90th) day prior to such annual meeting and (ii) the tenth (10th) day following the day on which public disclosure (as defined below) of the date of the meeting is first made by the corporation. In no event shall the adjournment, recess, postponement or rescheduling of an annual meeting (or the public disclosure thereof) commence a new time period (or extend any time period) for the giving of notice as described above.

(c) Form of Notice. To be in proper written form, the notice of any shareholder of record giving notice under this Section 2.17 (each, a "***Noticing Party***") must set forth:

(i) as to each person whom such Noticing Party proposes to nominate for election or reelection as a director (each, a "***Proposed Nominee***"), if any:

(A) the name, age, business address, and residence address of such Proposed Nominee;

(B) the principal occupation and employment of such Proposed Nominee;

(C) a written questionnaire with respect to the background and qualifications of such Proposed Nominee, completed by such Proposed Nominee in the form required by the corporation (which form such Noticing Party shall request in writing from the secretary prior to submitting notice and which the secretary shall provide to such Noticing Party within ten (10) days after receiving such request);

(D) a written representation and agreement completed by such Proposed Nominee in the form required by the corporation (which form such Noticing Party shall request in writing from the secretary prior to submitting notice and which the secretary shall provide to such Noticing Party within ten (10) days after receiving such request) providing that such Proposed Nominee: (I) is not and will not become a party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such Proposed Nominee, if elected as a director of the corporation, will act or vote on any issue or question (a "***Voting Commitment***") that has not been disclosed to the corporation or any Voting Commitment that could limit or interfere with such Proposed Nominee's ability to comply, if elected as a director of the corporation, with such Proposed Nominee's fiduciary duties under applicable law; (II) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director or nominee that has not been disclosed to the corporation; (III) will, if elected as a director of the corporation, comply with all applicable rules of any securities exchanges upon which the corporation's securities are listed, the articles, these bylaws, all applicable publicly disclosed corporate governance, ethics, conflict of interest, confidentiality, stock ownership and trading policies and all other guidelines and policies of the corporation generally applicable to directors (which other guidelines and policies will be provided to such Proposed Nominee within five (5) business days after the secretary receives any written request therefor from such Proposed Nominee), and all applicable fiduciary duties under state law; (IV) consents to being named as a nominee in the corporation's proxy statement and form of proxy for the meeting; (V) intends to serve a full term as a director of the corporation, if elected; (VI) consents to and will cooperate with any background checks, requests for information and regulatory filings and disclosures reasonably requested by the Board in connection with any regulations applicable to, or licenses held by, the corporation; and (VII) will provide facts, statements and other information in all communications with the corporation and its shareholders that are or will be true and correct in all material respects and that do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;

(E) a description of all direct and indirect compensation and other material monetary agreements, arrangements or understandings, written or oral, during the past three (3) years, and any other material relationships, between or among such Proposed Nominee or any of such Proposed Nominee's affiliates or associates (each as defined below), on the one hand, and any Noticing Party or any Shareholder Associated Person (as defined below), on the other hand, including, without limitation, (I) all information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation S-K under the Exchange Act as if such Noticing Party and any Shareholder Associated Person were the "registrant" for purposes of such rule and the Proposed Nominee were a director or executive officer of such registrant, and (II) all information that would be required to be disclosed pursuant to listing standards of each securities exchange upon which the corporation's securities are listed;

(F) a description of any business or personal interests that could place such Proposed Nominee in a potential conflict of interest with the corporation or any of its subsidiaries; and

(G) all other information relating to such Proposed Nominee or such Proposed Nominee's associates (as defined below) that would be required to be disclosed in a proxy statement or other filing required to be made by such Noticing Party or any Shareholder Associated Person in connection with the solicitation of proxies for the election of directors in a contested election or otherwise required pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (collectively, the "***Proxy Rules***");

(ii) as to any other business that such Noticing Party proposes to bring before the meeting:

(A) a reasonably brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting;

(B) the text of the proposal or business (including the complete text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the articles or these bylaws, the language of the proposed amendment); and

(C) all other information relating to such business that would be required to be disclosed in a proxy statement or other filing required to be made by such Noticing Party or any Shareholder Associated Person in connection with the solicitation of proxies in support of such proposed business by such Noticing Party or any Shareholder Associated Person pursuant to the Proxy Rules; and

(iii) as to such Noticing Party and each Shareholder Associated Person:

(A) the name and address of such Noticing Party and each Shareholder Associated Person (including, as applicable, as they appear on the corporation's books and records);

(B) the class, series and number of shares of each class or series of capital stock (if any) of the corporation that are, directly or indirectly, owned beneficially or of record (specifying the type of ownership) by such Noticing Party or any Shareholder Associated Person (including any rights to acquire beneficial ownership at any time in the future); the date or dates on which such shares were acquired; and the investment intent of such acquisition;

(C) the name of each nominee holder for, and number of, any securities of the corporation owned beneficially but not of record by such Noticing Party or any Shareholder Associated Person and any pledge by such Noticing Party or any Shareholder Associated Person with respect to any of such securities;

(D) a complete and accurate description of all agreements, arrangements or understandings, written or oral, (including any derivative or short positions, profit interests, hedging transactions, forwards, futures, swaps, options, warrants, convertible securities, stock appreciation or similar rights, repurchase agreements or arrangements, borrowed or loaned shares and so-called "stock borrowing" agreements or arrangements) that have been entered into by, or on behalf of, such Noticing Party or any Shareholder Associated Person, the effect or intent of which is to mitigate loss, manage risk or benefit from changes in the price of any securities of the corporation, or maintain, increase or decrease the voting power of such Noticing Party or any Shareholder Associated Person with respect to securities of the corporation, whether or not such instrument or right shall be subject to settlement in underlying shares of capital stock of the corporation and without regard to whether such agreement, arrangement or understanding is required to be reported on a Schedule 13D, 13F or 13G in accordance with the Exchange Act (any of the foregoing, a "***Derivative Instrument***");

(E) any substantial interest, direct or indirect (including any existing or prospective commercial, business or contractual relationship with the corporation), by security holdings or otherwise, of such Noticing Party or any Shareholder Associated Person in the corporation or any affiliate thereof, other than an interest arising from the ownership of corporation securities where such Noticing Party or such Shareholder Associated Person receives no extra or special benefit not shared on a *pro rata* basis by all other holders of the same class or series;

(F) a complete and accurate description of all agreements, arrangements or understandings, written or oral, (I) between or among such Noticing Party and any of the Shareholder Associated Persons or (II) between or among such Noticing Party or any Shareholder Associated Person and any other person or entity (naming each such person or entity), including, without limitation, (x) any proxy, contract, arrangement, understanding or relationship pursuant to which such Noticing Party or any Shareholder Associated Person, directly or indirectly, has a right to vote any security of the corporation (other than any revocable proxy given in response to a solicitation made pursuant to, and in accordance with, Section 14(a) of the Exchange Act by way of a solicitation statement filed on Schedule 14A), (y) any understanding, written or oral, that such Noticing Party or any Shareholder Associated Person may have reached with any shareholder of the corporation (including the name of such shareholder) with respect to how such shareholder will vote such shareholder's shares in the corporation at any meeting of the corporation's shareholders or take other action in support of any Proposed Nominee or other business, or other action to be taken, by such Noticing Party or any Shareholder Associated Person and (z) any other agreements that would be required to be disclosed by such Noticing Party, any Shareholder Associated Person or any other person or entity pursuant to Item 5 or Item 6 of a Schedule 13D pursuant to Section 13 of the Exchange Act (regardless of whether the requirement to file a Schedule 13D is applicable to such Noticing Party, such Shareholder Associated Person or such other person or entity);

(G) any rights to dividends on the shares of the corporation owned beneficially by such Noticing Party or any Shareholder Associated Person that are separated or separable from the underlying shares of the corporation;

(H) any proportionate interest in shares of the corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership, limited liability company or similar entity in which such Noticing Party or any Shareholder Associated Person is (I) a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership or (II) the manager, managing member or, directly or indirectly, beneficially owns an interest in the manager or managing member of such limited liability company or similar entity;

(I) any significant equity interests or any Derivative Instruments in any principal competitor of the corporation held by such Noticing Party or any Shareholder Associated Person;

(J) any direct or indirect interest of such Noticing Party or any Shareholder Associated Person in any contract with the corporation, any affiliate of the corporation or any principal competitor of the corporation (including, without limitation, any employment agreement, collective bargaining agreement or consulting agreement);

(K) a description of any material interest of such Noticing Party or any Shareholder Associated Person in the business proposed by such Noticing Party, if any, or the election of any Proposed Nominee;

(L) a representation that (I) neither such Noticing Party nor any Shareholder Associated Person has breached any contract or other agreement, arrangement or understanding with the corporation except as disclosed to the corporation pursuant hereto and (II) such Noticing Party and each Shareholder Associated Person has complied, and will comply, with all applicable requirements of state law and the Exchange Act with respect to matters set forth in this Section 2.17;

(M) a complete and accurate description of any performance-related fees (other than an asset-based fee) to which such Noticing Party or any Shareholder Associated Person may be entitled as a result of any increase or decrease in the value of the corporation's securities or any Derivative Instruments, including, without limitation, any such interests held by members of such Noticing Party's or any Shareholder Associated Person's immediate family sharing the same household;

(N) a description of the investment strategy or objective, if any, of such Noticing Party or any Shareholder Associated Person who is not an individual and a copy of the prospectus, offering memorandum or similar document, if any, and other marketing materials, if any provided to investors or potential investors in the Noticing Party or any Shareholder Associated Person;

(O) all information that would be required to be set forth in a Schedule 13D filed pursuant to Rule 13d-1(a) under the Exchange Act or an amendment pursuant to Rule 13d-2(a) under the Exchange Act if such a statement were required to be filed under the Exchange Act by such Noticing Party or any Shareholder Associated Person, or such Noticing Party's or any Shareholder Associated Person's associates, (regardless of whether such person or entity is actually required to file a Schedule 13D);

(P) a certification regarding whether such Noticing Party and each Shareholder Associated Person has complied with all applicable federal, state, and other legal requirements in connection with such person's acquisition of shares of capital stock or other securities of the corporation and such person's acts or omissions as a shareholder of the corporation, if such person is or has been a shareholder of the corporation; and

(Q) all other information relating to such Noticing Party or any Shareholder Associated Person, or such Noticing Party's or any Shareholder Associated Person's associates, that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies in support of the business proposed by such Noticing Party, if any, or for the election of any Proposed Nominee in a contested election or otherwise pursuant to the Proxy Rules;

provided, however, that the disclosures in the foregoing subclauses (A) through (Q) shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Noticing Party solely as a result of being the shareholder directed to prepare and submit the notice required by these bylaws on behalf of a beneficial owner.

(iv) a representation that such Noticing Party intends to appear in person or by proxy at the meeting to bring such business before the meeting or nominate any Proposed Nominees, as applicable, and an acknowledgment that, if such Noticing Party (or a Qualified Representative (as defined below) of such Noticing Party) does not appear to present such business or Proposed Nominees, as applicable, at such meeting, the corporation need not present such business or Proposed Nominees for a vote at such meeting, notwithstanding that proxies in respect of such vote may have been received by the corporation;

(v) a complete and accurate description of any pending or, to such Noticing Party's knowledge, threatened legal proceeding in which such Noticing Party or any Shareholder Associated Person is a party or participant involving the corporation or, to such Noticing Party's knowledge, any current or former officer, director, affiliate, or associate of the corporation;

(vi) identification of the names and addresses of other shareholders (including beneficial owners) known by such Noticing Party to support the nomination(s) or other business proposal(s) submitted by such Noticing Party and, to the extent known, the class and number of all shares of the corporation's capital stock owned beneficially or of record by such other shareholder(s) or other beneficial owner(s); and

(vii) a representation from such Noticing Party as to whether such Noticing Party or any Shareholder Associated Person intends or is part of a group that intends (A) to deliver a proxy statement and/or form of proxy to a number of holders of the corporation's voting shares reasonably believed by such Noticing Party to be sufficient to approve or adopt the business to be proposed or elect the Proposed Nominees, as applicable, (B) to solicit proxies in support of director nominees other than the Corporation's nominees (as defined below) in accordance with Rule 14a-19 under the Exchange Act or (C) to engage in a solicitation (within the meaning of Exchange Act Rule 14a-1(l) with respect to the nomination or other business, as applicable, and if so, the name of each participant (as defined in Item 4 of Schedule 14A under the Exchange Act) in such solicitation.

(d) Additional Information. In addition to the information required pursuant to the foregoing provisions of this Section 2.17, the corporation may require any Noticing Party to furnish such other information as the corporation may reasonably require to determine the eligibility or suitability of a Proposed Nominee to serve as a director of the corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such Proposed Nominee, under the listing standards of each securities exchange upon which the corporation's securities are listed, any applicable rules of the Securities and Exchange Commission, any publicly disclosed standards used by the board in selecting nominees for election as a director and for determining and disclosing the independence of the corporation's directors, including those applicable to a director's service on any of the committees of the board, or the requirements of any other laws or regulations applicable to the corporation. If requested by the corporation, any supplemental information required under this paragraph shall be provided by a Noticing Party within ten (10) days after it has been requested by the corporation. In addition, the board may require any Proposed Nominee to submit to interviews with the board or any committee thereof, and such Proposed Nominee shall make himself or herself available for any such interviews within ten (10) days following the date of any request therefor from the Board or any committee thereof.

(e) Proxy Access for Director Nominations.

(i) Inclusion in Annual Meeting Proxy Statement. The corporation shall include in its proxy statement for an annual meeting of shareholders the name, together with the Required Information (as defined below), of any person nominated for election (a "***Shareholder Nominee***") to the board of directors by a shareholder that satisfies, or by a group of no more than twenty shareholders that, collectively, satisfy, the requirements of this Section 2.17(e) (an "***Eligible Shareholder***"), and that expressly elects at the time of providing the notice required by this Section 2.17(e) (the "***Nomination Notice***") to have its nominee or nominees included in the corporation's proxy materials pursuant to this Section 2.17(e). For the avoidance of doubt, the provisions of this Section 2.17(e) shall not apply to a special meeting of shareholders, and the corporation shall not be required to include a Shareholder Nominee in the corporation's proxy statement or form of proxy or ballot for any special meeting of shareholders pursuant to this Section 2.17(e).

(ii) Timeliness. A shareholder's Nomination Notice shall be timely if it is delivered to or mailed and received by the secretary at the principal executive offices of the corporation in accordance with the deadline for notices as set forth in Section 2.17(b).

(iii) Required Information. For purposes of this Section 2.17(e), the "***Required Information***" that the corporation will include in its proxy statement is (A) the information concerning the Shareholder Nominee and the Eligible Shareholder that the corporation determines is required to be disclosed in the corporation's proxy statement by the regulations promulgated under the Exchange Act; and (B) if the Eligible Shareholder so elects, a Statement (as defined in Section 2.17(e)(vii)). To be timely, the Required Information must be delivered to or mailed and received by the secretary of the corporation within thirty (30) days after the deadline for Nomination Notices set forth in Section 2.17(e)(ii).

(iv) Number of Shareholder Nominees. The number of Shareholder Nominees (including Shareholder Nominees that were submitted by an Eligible Shareholder for inclusion in the corporation's proxy materials pursuant to this Section 2.17(e) but are subsequently withdrawn) appearing in the corporation's proxy materials with respect to an annual meeting of shareholders shall not exceed twenty percent of the number of directors in office as of the last day on which a Nomination Notice may be delivered pursuant to this Section 2.17(e), or if such amount is not a whole number, the closest whole number below twenty percent, but not less than two (the "***Permitted Number***"); provided that (A) if one or more vacancies for any reason occurs on the board of directors at any time after the deadline for Nomination Notices set forth in Section 2.17(e)(ii) and before the date of the applicable annual meeting of shareholders and the board of directors resolves to reduce the size of the board of directors in connection therewith, the Permitted Number shall be calculated based on the number of directors in office as so reduced and (B) the Permitted Number shall be reduced for each annual meeting (but not more than two annual meetings) for each Shareholder Nominee that the board of directors decides to nominate for election at such annual meeting. If the number of Shareholder Nominees submitted by Eligible Shareholders pursuant to this Section 2.17(e) exceeds the Permitted Number, each Eligible Shareholder shall select one of its Shareholder Nominees for inclusion in the corporation's proxy materials. If the Permitted Number is not reached after each Eligible Shareholder has selected one Shareholder Nominee for inclusion in the corporation's proxy materials, each Eligible Shareholder shall select one Shareholder Nominee, going in order of the amount (largest to smallest) of shares of the capital stock of the corporation each Eligible Shareholder disclosed as owned in its respective Nomination Notice submitted to the corporation, until the Permitted Number is reached, and all remaining Shareholder Nominees in excess of the Permitted Number shall be excluded from the corporation's proxy materials.

(v) Ownership for Purposes of Section 2.17(e). For purposes of this Section 2.17(e), an Eligible Shareholder shall be deemed to "***own***" only those outstanding shares of the capital stock of the corporation as to which the shareholder possesses both (A) the full voting and investment rights pertaining to the shares and (B) the full economic interest in (including the opportunity for profit and risk of loss on) such shares; provided that the number of shares calculated in accordance with clauses (A) and (B) shall not include any shares (I) sold by such shareholder or any of its affiliates in any transaction that has not been settled or closed, (II) borrowed by such shareholder or any of its affiliates for any purposes or purchased by such shareholder or any of its affiliates pursuant to an agreement to resell or (III) subject to any Derivative Instrument. A shareholder shall "own" shares held in the name of a nominee or other intermediary so long as the shareholder retains the right to instruct how the shares are voted with respect to the election of directors and possesses the full economic interest in the shares. A person's ownership of shares shall be deemed to continue during any period in which (X) the person has loaned such shares, provided that the person has the power to recall such loaned shares on not more than five (5) business days' notice, or (Y) the person has delegated any voting power by means of a proxy, power of attorney or other instrument or arrangement that is revocable at any time by the person. The terms "owned," "owning" and other variations of the word "own" shall have correlative meanings. Whether outstanding shares of the capital stock of the corporation are "owned" for these purposes shall be determined by the board of directors, which determination shall be conclusive and binding on the corporation and its shareholders. An Eligible Shareholder shall include in its Nomination Notice the number of shares it is deemed to own for the purposes of this Section 2.17(e).

(vi) Eligible Shareholder. An Eligible Shareholder must have owned (as defined in Section 2.17(e)(v)) continuously for at least three (3) years that number of shares of capital stock as shall constitute three (3) percent or more of the outstanding capital stock of the corporation (the "***Required Shares***") as of both (A) a date within seven (7) calendar days prior to the date of the Nomination Notice and (B) the record date for determining shareholders entitled to vote at the annual meeting. For purposes of satisfying the ownership requirements under this Section 2.17(e), (X) the shares of the capital stock of the corporation owned by one or more shareholders, or by the person or persons who own shares of the capital stock of the corporation and on whose behalf any shareholder is acting, may be aggregated, provided that the number of shareholders and other persons whose ownership of shares of capital stock of the corporation is aggregated for such purpose shall not exceed twenty, and (Y) two or more related funds will be treated as one shareholder or person for this purpose if such funds are (I) under common management and investment control, or (II) under common management and funded by a single employer, or (III) a "group of investment companies" as such term is defined in section 12(d)(1)(G)(ii) of the Investment Company Act of 1940, as amended. No person may be a member of more than one group of persons constituting an Eligible Shareholder under this Section 2.17(e). Within the time period specified in this Section 2.17(e) for providing the Nomination Notice, an Eligible Shareholder must provide the following information in writing to the secretary of the corporation:

(A) one or more written statements from each record holder of the shares (and from each intermediary through which the shares are or have been held during the requisite three-year holding period) verifying that, as of a date within seven (7) calendar days prior to the date of the Nomination Notice, the Eligible Shareholder owns, and has owned continuously for the preceding three (3) years, the Required Shares, and the Eligible Shareholder's agreement to provide, within three (3) business days after the record date for the annual meeting, written statements from the record holder and intermediaries verifying the Eligible Shareholder's continuous ownership of the Required Shares through the record date and, in the case of loaned shares, a written statement to the effect that the person will recall such loaned shares prior to the record date for the annual meeting and hold such shares on the record date or will revoke delegated voting authority with respect to such shares and vote such shares at the annual meeting, and, in the case of shares held by two or more related funds, documentation that demonstrates to the reasonable satisfaction of the corporation that the funds are (I) under common management and investment control, or (II) under common management and funded by a single employer, or (III) a "group of investment companies" as such term is defined in section 12(d)(1)(G)(ii) of the Investment Company Act of 1940, as amended;

(B) the written consent of each Shareholder Nominee to being named in the proxy statement as a nominee and to serving as a director if elected, together with the information and representations that would be required to be set forth in a shareholder's notice of a nomination pursuant to Section 2.17(c) and (d) as if the Shareholder Nominee was the Proposed Nominee and as if the Eligible Shareholder (including each shareholder whose stock ownership is counted for purposes of qualifying as an Eligible Shareholder) were the Noticing Party;

(C) a copy of the Schedule 14N that has been filed with the Securities and Exchange Commission as required by Rule 14a-18 under the Exchange Act, as such rule may be amended;

(D) a representation that the Eligible Shareholder (including each member of any group of shareholders that together is an Eligible Shareholder under this Section 2.17(e)) (I) acquired the Required Shares in the ordinary course of business and not with the intent to change or influence control at the corporation, and does not presently have such intent, (II) has not nominated and will not nominate for election to the board of directors at the annual meeting any person other than the Shareholder Nominee(s) being nominated pursuant to this Section 2.17(e), (III) has not engaged and will not engage in, and has not and will not be a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a director at the annual meeting other than its Shareholder Nominee or a nominee of the board of directors, (IV) will not distribute to any shareholder any form of proxy for the annual meeting other than the form distributed by the corporation, (V) intends to own the Required Shares through the date of the annual meeting, (VI) has no present intention to dispose of the Required Shares within one (1) year following the annual meeting if one or more of the Eligible Shareholder's Shareholder Nominees is elected (it being understood that the Eligible Shareholder may disclaim any such representation regarding shares as to which the Eligible Shareholder has delegated investment power to an independent investment manager or shares held in or by an index fund), (VII) will provide facts, statements and other information in all communications with the corporation and its shareholders that are or will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and (VIII) otherwise will comply with all applicable laws, rules, regulations and listing standards in connection with any actions taken pursuant to this Section 2.17(e);

(E) in the case of a nomination by a group of shareholders that together is an Eligible Shareholder, the designation by all group members of one group member that is authorized to act on behalf of all members of the nominating shareholder group with respect to the nomination and matters thereto, including withdrawal of the nomination; and

(F) an undertaking that the Eligible Shareholder (including each member of any group of shareholders that together is an Eligible Shareholder) agrees to (I) assume all liability stemming from any legal or regulatory violation arising out of the Eligible Shareholder's communications with the shareholders of the corporation or out of the information that the Eligible Shareholder provided to the corporation, (II) indemnify and hold harmless the corporation and each of its directors, officers and employees individually against any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the corporation or any of its directors, officers, or employees arising out of any nomination submitted by the Eligible Shareholder pursuant to this Section 2.17(e), (III) comply with all other laws, rules, regulations and listing standards applicable to any solicitation in connection with the annual meeting, and (IV) provide to the corporation prior to the annual meeting such additional information as necessary with respect thereto, including prompt notice if the Eligible Shareholder ceases to own any of the Required Shares prior to the date of the annual meeting of shareholders and if any information or communications provided by the Eligible Shareholder to the corporation ceases to be true and correct in any respect or omits a fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, each Eligible Shareholder shall promptly notify the secretary of the corporation of any such inaccuracy or omission in such previously provided information and of the information that is required to make such information or communication true and correct.

(vii) Statement. The Eligible Shareholder may provide to the secretary of the corporation, within the time period specified in this Section 2.17(e) for providing the Nomination Notice, a written statement for inclusion in the corporation's proxy statement for the annual meeting, not to exceed five hundred words (excluding biographical and other information required to be disclosed in the corporation's proxy statement by the regulations promulgated under the Exchange Act), in support of the candidacy of all Shareholder Nominees nominated by the Eligible Shareholder (the "***Statement***"). Notwithstanding anything to the contrary contained in this Section 2.17, the corporation may omit from its proxy materials any information or Statement (or portion thereof) that it, in good faith, believes would violate any applicable law, rule, regulation or listing standard. Nothing in this Section 2.17 shall limit the corporation's ability to solicit against and include in its proxy materials its own statements relating to any Shareholder Nominee.

(viii) Additional Information. If the Shareholder Nominee fails to provide requested information on a timely basis, the Shareholder Nominee will not be eligible for inclusion in the corporation's proxy materials.

(ix) Eligibility for Nomination at Subsequent Meetings. Any Shareholder Nominee who is included in the corporation's proxy materials for a particular annual meeting of shareholders but either (A) withdraws from or becomes ineligible or unavailable for election at the annual meeting, or (B) does not receive at least twenty-five percent of the votes cast "for" the Shareholder Nominee's election, will be ineligible to be a Shareholder Nominee pursuant to this Section 2.17(e) for the next two annual meetings of shareholders. Any Eligible Shareholder (including each shareholder whose stock ownership is counted for purposes of qualifying as an Eligible Shareholder) whose Shareholder Nominee is elected as a director at the annual meeting of shareholders will not be eligible to nominate or participate in the nomination of a Shareholder Nominee for the next two annual meetings of shareholders other than the nomination of such previously elected Shareholder Nominee, unless the board of directors nominates such previously elected Shareholder Nominee at a subsequent annual meeting.

(x) Disqualification. The corporation shall not be required, pursuant to this Section 2.17(e), to include in its proxy materials for any meeting of shareholders a Shareholder Nominee (A) if the secretary of the corporation receives a notice that any shareholder has nominated a person for election to the board of directors pursuant to the advance notice requirements for shareholder nominations for director set forth in Section 2.17(a) through (d), (B) if the Eligible Shareholder who has nominated such Shareholder Nominee has engaged in or is currently engaged in, or has been or is a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a director at the annual meeting other than its Shareholder Nominee(s) or a nominee of the board of directors, (C) who is not independent under the under the listing standards of each securities exchange upon which the corporation's securities are listed, as determined by the board of directors, (D) whose election as a member of the board of directors would cause the corporation to be in violation of the articles, these bylaws, the listing standards of the principal exchange upon which the corporation's capital stock is traded, or any applicable state or federal law, rule or regulation, (E) who is or has been, within the past three (3) years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, (F) who is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in such a criminal proceeding within the past ten (10) years, (G) who is subject to any order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act of 1933, as amended, (H) if such Shareholder Nominee or the Eligible Shareholder who has nominated such Shareholder Nominee shall have provided information to the corporation with respect to such nomination that was untrue in any material respect or omitted to state a material fact necessary in order to make the statement made, in light of the circumstances under which it was made, not misleading, as determined by the board of directors, (I) if the Eligible Shareholder ceases to be an Eligible Shareholder for any reason, including but not limited to not owning the Required Shares through the date of the applicable annual meeting, or (J) if the Eligible Shareholder or applicable Shareholder Nominee otherwise contravenes any of the agreements or representations made by such Eligible Shareholder or Shareholder Nominee or fails to comply with its obligations pursuant to this Section 2.17(e). For the purposes of this Section 2.17(e)(x), if an Eligible Shareholder is subject the conditions in clause (A), (B), (H), or (J), the corporation may exclude from its proxy materials all Shareholder Nominees nominated by such Eligible Shareholder or, if the proxy statement has already been filed, may declare all such Shareholder Nominees ineligible to stand for election or serve as a director; and if a Shareholder Nominee is subject to the conditions in clause (C), (D), (E), (F), (G) (H), (I), or (J), the corporation may declare such Shareholder Nominee ineligible and exclude such Shareholder Nominee from the proxy materials, or, if the proxy statement has already been filed, may declare the Shareholder Nominee ineligible to stand for election or serve as a director.

(xi) Invalidity. Notwithstanding anything to the contrary set forth herein, the board of directors or the person presiding at the meeting shall declare a nomination by an Eligible Shareholder to be invalid, and such nomination shall be disregarded notwithstanding that proxies in respect of such vote may have been received by the corporation, if (A) the Shareholder Nominee(s) and/or the applicable Eligible Shareholder shall have breached its or their obligations, agreements or representations under this Section 2.17(e), as determined by the board of directors or the person presiding at the annual meeting of shareholders, (B) the Shareholder Nominee(s) are determined to be ineligible to stand for election or serve as a director pursuant to Section 2.17(e)(x), or (C) the Eligible Shareholder (or a qualified representative thereof) does not appear at the annual meeting of shareholders to present any nomination pursuant to this Section 2.17(e).

(xii) Filing of Solicitations and Other Communications. The Eligible Shareholder (including any person who owns shares of capital stock of the corporation that constitute part of the Eligible Shareholder's ownership for purposes of satisfying Section 2.17(e)(vi) hereof) shall file with the Securities and Exchange Commission any solicitation or other communication with the corporation's shareholders relating to the meeting at which the Shareholder Nominee will be nominated, regardless of whether any such filing is required under Regulation 14A of the Exchange Act or whether any exemption from filing is available for such solicitation or other communication under Regulation 14A of the Exchange Act.

(f) Special Meetings of Shareholders. Only such business shall be conducted at a special meeting of shareholders as shall have been brought before the meeting pursuant to the corporation's notice of meeting (or any supplement thereto). Nominations of persons for election to the board may be made at a special meeting of shareholders at which directors are to be elected pursuant to the corporation's notice of meeting (or any supplement thereto) (i) by or at the direction of the board or (ii) provided that one or more directors are to be elected at such meeting pursuant to the corporation's notice of meeting, by any shareholder of the corporation who (A) is a shareholder of record on the date of the giving of the notice provided for in this Section 2.17(f) through the date of such special meeting, (B) is entitled to vote at such special meeting and upon such election and (C) complies with the notice procedures set forth in this Section 2.17(f). In addition to any other applicable requirements, for director nominations to be properly brought before a special meeting by a shareholder pursuant to the foregoing clause (ii), such shareholder must have given timely notice thereof in proper written form to the secretary. To be timely, such notice must be received by the secretary at the principal executive offices of the corporation not earlier than the Close of Business on the one hundred twentieth (120th) day prior to such special meeting and not later than the Close of Business on the later of (x) the ninetieth (90th) day prior to such special meeting and (y) the tenth (10th) day following the day on which public disclosure of the date of the meeting is first made by the corporation. In no event shall an adjournment, recess, postponement or rescheduling of a special meeting (or the public disclosure thereof) commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above. To be in proper written form, such notice shall include all information required pursuant to Section 2.17(c) above, and such shareholder and any Proposed Nominee shall comply with Section 2.17(d) above, as if such notice were being submitted in connection with an annual meeting of shareholders.

(g) General.

(i) No person shall be eligible for election as a director of the corporation unless the person is nominated by a shareholder in accordance with the procedures set forth in this Section 2.17 as applicable or the person is nominated by the board, and no business shall be conducted at a meeting of shareholders of the corporation except business brought by a shareholder in accordance with the procedures set forth in this Section 2.17 or by the board. The number of nominees a shareholder may nominate for election at a meeting may not exceed the number of directors to be elected at such meeting, and for the avoidance of doubt, no shareholder shall be entitled to make additional or substitute nominations following the expiration of the time periods set forth in Section 2.17(b) and Section 2.17(f), as applicable. Except as otherwise provided by law, the presiding officer of a meeting shall have the power and the duty to determine whether a nomination or any business proposed to be brought before the meeting has been made in accordance with the procedures set forth in these bylaws, and, if the presiding officer of the meeting determines that any proposed nomination or business was not properly brought before the meeting, the presiding officer shall declare to the meeting that such nomination shall be disregarded or such business shall not be transacted, and no vote shall be taken with respect to such nomination or proposed business, in each case, notwithstanding that proxies with respect to such vote may have been received by the corporation. Notwithstanding the foregoing provisions of this Section 2.17, unless otherwise required by law, if the Noticing Party (or a Qualified Representative of the Noticing Party) proposing a nominee for director or business to be conducted at a meeting does not appear at the meeting of shareholders of the corporation to present such nomination or propose such business, such proposed nomination shall be disregarded or such proposed business shall not be transacted, as applicable, and no vote shall be taken with respect to such nomination or proposed business, notwithstanding that proxies with respect to such vote may have been received by the corporation.

(ii) A Noticing Party shall update such Noticing Party's notice provided under the foregoing provisions of this Section 2.17, if necessary, such that the information provided or required to be provided in such notice shall be true and correct (A) as of the record date for determining the shareholders entitled to receive notice of the meeting and (B) as of the date that is ten (10) business days prior to the meeting (or any postponement, rescheduling or adjournment thereof), and such update shall (I) be received by the secretary at the principal executive offices of the corporation (x) not later than the Close of Business five (5) business days after the record date for determining the shareholders entitled to receive notice of such meeting (in the case of an update required to be made under clause (A)) and (y) not later than the Close of Business seven (7) business days prior to the date for the meeting or, if practicable, any postponement, rescheduling or adjournment thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been postponed, rescheduled or adjourned) (in the case of an update required to be made pursuant to clause (B)), (II) be made only to the extent that information has changed since such Noticing Party's prior submission and (III) clearly identify the information that has changed since such Noticing Party's prior submission. For the avoidance of doubt, any information provided pursuant to this Section 2.17(f)(ii) shall not be deemed to cure any deficiencies in a notice previously delivered pursuant to this Section 2.17 and shall not extend the time period for the delivery of notice pursuant to this Section 2.17. If a Noticing Party fails to provide such written update within such period, the information as to which such written update relates may be deemed not to have been provided in accordance with this Section 2.17. An Eligible Shareholder shall comply with the requirements of this Section 2.17(f)(ii) as if the Eligible Shareholder were the Noticing Party.

(iii) If any information submitted pursuant to this Section 2.17 by any Noticing Party proposing individuals to nominate for election or reelection as a director or business for consideration at a shareholder meeting shall be inaccurate in any material respect, such information shall be deemed not to have been provided in accordance with this Section 2.17. Any such Noticing Party shall notify the secretary in writing at the principal executive offices of the corporation of any inaccuracy or change in any information submitted pursuant to this Section 2.17 (including if any Noticing Party or any Shareholder Associated Person no longer intends to solicit proxies in accordance with the representation made pursuant to Section 2.17(c)(vii)(B)) within two (2) business days after becoming aware of such inaccuracy or change, and any such notification shall (I) be made only to the extent that any information submitted pursuant to this Section 2.17 has changed since such Noticing Party's prior submission and (II) clearly identify the information that has changed since such Noticing Party's prior submission. Upon written request of the secretary on behalf of the board (or a duly authorized committee thereof), any such Noticing Party shall provide, within seven (7) business days after delivery of such request (or such other period as may be specified in such request), (A) written verification, reasonably satisfactory to the board, any committee thereof or any authorized officer of the corporation, to demonstrate the accuracy of any information submitted by such Noticing Party pursuant to this Section 2.17 and (B) a written affirmation of any information submitted by such Noticing Party pursuant to this Section 2.17 as of an earlier date. If a Noticing Party fails to provide such written verification or affirmation within such period, the information as to which written verification or affirmation was requested may be deemed not to have been provided in accordance with this Section 2.17. An Eligible Shareholder shall comply with the requirements of this Section 2.17(f)(iii) as if the Eligible Shareholder were the Noticing Party.

(iv) If (A) any Noticing Party or any Shareholder Associated Person provides notice pursuant to Rule 14a-19(b) under the Exchange Act and (B) such Noticing Party or Shareholder Associated Person subsequently either (x) notifies the corporation that such Noticing Party or Shareholder Associated Person no longer intends to solicit proxies in support of director nominees other than the Corporation's nominees in accordance with Rule 14a-19 under the Exchange Act or (y) fails to comply with the requirements of Rules 14a-19(a)(2) or Rule14(a)(3) under the Exchange Act, then the corporation shall disregard any proxies or votes solicited for the Proposed Nominees proposed by such Noticing Party. Upon request by the corporation, if any Noticing Party or any Shareholder Associated Person provides notice pursuant to Rule 14a-19(b) under the Exchange Act, such Noticing Party shall deliver to the secretary, no later than five (5) business days prior to the applicable meeting date, reasonable evidence that the requirements of Rule 14a-19(a)(3) under the Exchange Act have been satisfied. An Eligible Shareholder shall comply with the requirements of this Section 2.17(f)(iv) as if the Eligible Shareholder were the Noticing Party.

(v) In addition to complying with the foregoing provisions of this Section 2.17, a shareholder shall also comply with all applicable requirements of state law and the Exchange Act with respect to the matters set forth in this Section 2.17. Nothing in this Section 2.17 shall be deemed to affect any rights of (A) shareholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act, (B) shareholders to request inclusion of nominees in the corporation's proxy statement pursuant to the Proxy Rules or (C) the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the articles.

(vi) For purposes of these bylaws, (A) "***affiliate***" and "***associate***" each shall have the respective meanings set forth in Rule 12b-2 under the Exchange Act; (B) "***beneficial owner***" or "***beneficially owned***" shall have the meaning set forth for such terms in Section 13(d) of the Exchange Act; (C) "***Close of Business***" shall mean 5:00 p.m. Eastern Time on any calendar day, whether or not the day is a business day; (D) "***Corporation's nominee(s)***" shall mean any person(s) nominated by or at the direction of the board; (E) "***public disclosure***" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act; (F) a "***Qualified Representative***" of a Noticing Party means (I) a duly authorized officer, manager or partner of such Noticing Party or (II) a person authorized by a writing executed by such Noticing Party (or a reliable reproduction or electronic transmission of the writing) delivered by such Noticing Party to the corporation prior to the making of any nomination or proposal at a shareholder meeting stating that such person is authorized to act for such Noticing Party as proxy at the meeting of shareholders, which writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, must be produced at the meeting of shareholders; and (G) "***Shareholder Associated Person***" shall mean, with respect to any Noticing Party, (I) any person directly or indirectly controlling, controlled by, under common control with such Noticing Party, (II) any member of the immediate family of such Noticing Party sharing the same household, (III) any person who is a member of a "group" (as such term is used in Rule 13d-5 under the Exchange Act (or any successor provision at law)) with, or is otherwise known by such Noticing Party or other Shareholder Associated Person to be acting in concert with, such Noticing Party or any other Shareholder Associated Person with respect to the stock of the corporation, (IV) any beneficial owner of shares of stock of the corporation owned of record by such Noticing Party or any other Shareholder Associated Person (other than a shareholder that is a depositary), (V) any affiliate or associate of such Noticing Party or any other Shareholder Associated Person, (VI) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with such Noticing Party or any other Shareholder Associated Person with respect to any proposed business or nominations, as applicable, and (VII) any Proposed Nominee.

ARTICLE III.
Board of Directors

Section 3.01 Powers.

(a) General Rule. Unless otherwise provided by statute, all powers vested by law in the corporation shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the board of directors.

(b) Directors. A director shall stand in a fiduciary relation to the corporation and shall perform his or her duties as a director, including his or her duties as a member of any committee of the board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a director shall be entitled to rely in good faith on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(i) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented.

(ii) Counsel, public accountants, or other persons as to matters which the director reasonably believes to be within the professional or expert competence of such person.

(iii) A committee of the board upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

Section 3.02 Qualifications and Election of Directors.

(a) Qualifications. Each director of the corporation shall be a natural person of full age who need not be a resident of the Commonwealth of Pennsylvania or a shareholder of the corporation, except as may be required under corporate governance principles approved by the board of directors. For purposes of Section 3.05, a director's failure to hold the number of shares as and when required under corporate governance principles approved by the board of directors shall constitute cause for such director's removal.

(b) Election of Directors. Except as otherwise provided in these bylaws, directors of the corporation shall be elected by the shareholders only at an annual meeting of shareholders, unless such election of directors is required by the terms of any series of Preferred Stock. In elections for directors, voting need not be by ballot, unless required by vote of the shareholders before the voting for election of directors begins. Directors shall be elected by a plurality of the votes cast; *provided*, *however*, that in an election of directors that is not a Contested Election (as defined below), (i) if any nominee who is not an incumbent director receives a plurality of the votes cast but does not receive a majority of the votes cast, the resignation of such nominee referred to in Section 3.03(d) will be automatically accepted and (ii) if any nominee who is an incumbent director receives a plurality of the votes cast but does not receive a majority of the votes cast, the committee of the board authorized to nominate candidates for election to the board will make a recommendation to the board on whether to accept the director's resignation referred to in Section 3.03(d) or whether other action should be taken. The director not receiving a majority of the votes cast will not participate in the committee's recommendation or the board's decision regarding the tendered resignation. The independent members of the board will consider the committee's recommendation and publicly disclose the board's decision and the basis for that decision within ninety (90) days from the date of the certification of the final election results. If less than two members of the committee are elected at a meeting for the election of directors, the independent members of the board who were elected shall consider and act upon the tendered resignation. For purposes of this paragraph, (x) "***Contested Election***" means an annual or special meeting of the corporation with respect to which (i) the secretary receives a notice that a shareholder has nominated or intends to nominate a person for election to the board of directors in compliance with the requirements for shareholder nominees for director set forth in Section 2.17 and (ii) such nomination has not been withdrawn by such shareholder on or prior to the tenth (10th) day before the corporation first mails its notice of meeting for such meeting to the shareholders and (y) a "***majority of the votes cast***" means that the number of shares voted "for" must exceed the number of shares voted "against" with respect to that director's election.

Section 3.03 Number and Term of Office.

(a) Number. The board of directors shall consist of such number of directors as may be determined from time to time by resolution of a majority of the total number of directors that the corporation would have if there were no vacancies on the board, except as otherwise provided in the articles.

(b) Term of Office. Each director shall hold office until the expiration of the term for which he or she was elected and until his or her successor has been duly elected and qualified or until his or her earlier death, resignation, or removal. A decrease in the number of directors shall not have the effect of shortening the term of any incumbent director.

(c) Resignation - General. Any director may resign at any time upon written notice to the corporation. The resignation shall be effective upon receipt thereof by the corporation or at such subsequent time as shall be specified in the notice of resignation.

(d) Irrevocable Resignation. Each person who is nominated to stand for election as a director in an election that is not a Contested Election shall, as a condition to such nomination, tender an irrevocable resignation in advance of the meeting for the election of directors. Such resignation will be effective if, pursuant to Section 3.02(b) of these bylaws, (a) in the case of a nominee who is not an incumbent director, such nominee does not receive a majority vote in an election that is not a Contested Election and (b) in the case of a nominee who is an incumbent director, such nominee does not receive a majority vote in an election that is not a Contested Election and the board accepts the resignation.

(e) Annual Election of Directors. The directors shall not be classified in respect to the time for which they shall hold office. Except as otherwise provided in the express terms of any class or series of Preferred Stock with respect to the election of directors upon the occurrence of a default in the payment of dividends or in the performance of another express requirement of the terms of such Preferred Stock, the directors of the corporation shall be elected at each annual meeting of the shareholders for a one-year term expiring at the next annual meeting of the shareholders.

Section 3.04 Vacancies.

(a) General Rule. Except as may be otherwise provided with respect to directors elected by the holders of any series of Preferred Stock, a vacancy occurring on the board of directors, including, without limitation, a vacancy resulting from an increase in the number of directors or from the failure by shareholders to elect the full authorized number of directors, may only be filled by a majority vote of the remaining directors or by the sole remaining director in office. In the event of the death, resignation, or removal of a director during such director's elected term of office, such director's successor shall serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is duly elected and qualified or until his or her earlier death, resignation, or removal.

(b) Action by Resigned Directors. When one or more directors resign from the board effective at a future date, the directors then in office, including those who have so resigned, shall have power by the applicable vote to fill the vacancies, the vote thereon to take effect when the resignations become effective.

Section 3.05 Removal of Directors.

(a) Removal by the Shareholders. The entire board of directors or any individual director may be removed from office by vote of the shareholders entitled to vote thereon only for cause. In case the board or any one or more directors are so removed, new directors may be elected at the same meeting. The repeal of a provision of the articles or bylaws prohibiting, or the addition of a provision to the articles or bylaws permitting, the removal by the shareholders of the board or a director without assigning any cause shall not apply to any incumbent director during the balance of the term for which the director was elected.

(b) Removal by the Board. The board of directors may declare vacant the office of a director who has been judicially declared of unsound mind or who has been convicted of an offense punishable by imprisonment for a term of more than one (1) year or if, within sixty (60) days after notice of his or her selection, the director does not accept the office either in writing or by attending a meeting of the board of directors.

Section 3.06 **Place of Meetings; Use of Conference Telephone and Similar Equipment**. Meetings of the board of directors may be held at such place, if any, within or without the Commonwealth of Pennsylvania as the board of directors may from time to time appoint or as may be designated in the notice of the meeting. Any director may participate in any meeting of the board of directors or a committee thereof by means of conference telephone or other electronic technology by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 3.06 shall constitute presence in person at the meeting.

Section 3.07 **Organization of Meetings**. At every meeting of the board of directors, the chair of the board, if there be one, or, in the case of a vacancy in the office or absence of the chair of the board, the lead director, or, in the case of a vacancy in the office or absence of both the chair of the board and the lead director, a person chosen by a majority of the directors present, shall act as chair of the meeting. The secretary or, in the absence of the secretary, an assistant secretary, or, in the absence of the secretary and the assistant secretaries, any person appointed by the chair of the meeting, shall act as secretary of the meeting.

Section 3.08 **Regular Meetings**. Regular meetings of the board of directors shall be held at such time and place, if any, as shall be designated from time to time by resolution of the board of directors.

Section 3.09 **Special Meetings**. Special meetings of the board of directors shall be held whenever called by the chair of the board, the chief executive officer, the lead director, if there be one, or by two or more of the directors.

Section 3.10 **Notice of Meetings**. Notice of a regular meeting of the board of directors need not be given. Notice of every special meeting of the board of directors shall be given to each director (a) by first class mail posted at least five (5) days before the date of the meeting, (b) by courier service or express mail at least 48 hours before the meeting or (c) by telephone, facsimile, e-mail or other electronic communication at least 24 hours before the meeting or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances. Every such notice shall state the time and place, if any, of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in a notice of the meeting.

Section 3.11 **Quorum of and Action by the Board of Directors**.

(a) General Rule. A majority of the directors in office of the corporation shall be necessary to constitute a quorum for the transaction of business, and except as otherwise provided in these bylaws, the acts of a majority of the directors present and voting at a meeting at which a quorum is present shall be the acts of the board of directors.

(b) Action by Written Consent. Any action required or permitted to be approved at a meeting of the directors may be approved without a meeting if a consent or consents to the action in record form are signed, before, on or after the effective date of the action, by all of the directors in office on the date the first consent is signed. The consent or consents shall be filed with the minutes of the proceedings of the board of directors.

(c) Notation of Dissent. A director who is present at a meeting of the board of directors, or of a committee of the board, at which action on any corporate matter is taken on which the director is generally competent to act shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless the director files his or her written dissent to the action with the secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the secretary immediately after the adjournment of the meeting. The right to dissent shall not apply to a director who voted in favor of the action. Nothing in this Section 3.11(c) shall bar a director from asserting that minutes of the meeting incorrectly omitted his or her dissent if, promptly upon receipt of a copy of such minutes, the director notifies the secretary, in writing, of the asserted omission or inaccuracy.

Section 3.12 Committees of the Board.

(a) Establishment and Powers. The board of directors may, by resolution adopted by a majority of the directors in office, establish one or more committees to consist of one or more directors of the corporation. Any committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all of the powers and authority of the board of directors except that a committee shall not have any power or authority as to the following:

(i) The submission to shareholders of any action requiring approval of shareholders under the PBCL.

(ii) The creation or filling of vacancies in the board of directors.

(iii) The adoption, amendment, or repeal of these bylaws.

(iv) The amendment or repeal of any resolution of the board that by its terms is amendable or repealable only by the board.

(v) Action on matters committed by a resolution of the board of directors exclusively to another committee of the board.

(b) Alternate Committee Members. The board may designate one or more directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee or for the purposes of any written action by the committee. In the absence or disqualification of a member and alternate member or members of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another director to act at the meeting in the place of the absent or disqualified member.

(c) Term. Each committee of the board shall serve at the pleasure of the board.

(d) Committee Procedures. The term “board of directors” or “board,” when used in any provision of these bylaws relating to the organization or procedures of or the manner of taking action by the board of directors, shall be construed to include and refer to any executive or other committee of the board.

Section 3.13 **Compensation**. The board of directors shall have the authority to fix the compensation of directors for their services as directors, and a director may be a salaried officer of the corporation.

Section 3.14 **Chair of the Board**. Except as otherwise provided by these bylaws or by action of the board of directors, the chair of the board shall preside at all meetings of the shareholders and of the board of directors. The chair of the board shall perform such other duties as may from time to time be requested by the board of directors. The chair of the board shall be chosen from among the directors and may be an employee of the corporation, but need not be so employed, and may hold any other office of the corporation as from time to time may be determined by the board of directors.

Section 3.15 **Lead Director**. The board of directors shall have the authority to elect a Lead Director with the responsibilities set forth in the corporation's corporate governance principles.

ARTICLE IV.
Officers

Section 4.01 **Officers Generally**.

(a) Number, Qualifications and Designation. The officers of the corporation shall include a president, one or more vice presidents (which term shall include vice presidents, executive vice presidents and senior vice presidents), a secretary, a treasurer, and a chief executive officer, as the board of directors may designate by resolution, and such other officers as may be elected in accordance with the provisions of Section 4.03. Officers may but need not be directors or shareholders of the corporation. Officers shall be natural persons of full age. Any number of offices may be held by the same person.

(b) Bonding. The corporation may secure the fidelity of any or all of its officers by bond or otherwise.

(c) Duties. An officer shall perform such officer's duties as an officer in good faith, in a manner such officer reasonably believes to be in the best interests of the corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. A person who so performs such person's duties shall not be liable by reason of having been an officer of the corporation.

Section 4.02 **Election, Term of Office, and Resignations**.

(a) Election and Term of Office. The officers of the corporation, except those elected by delegated authority pursuant to Section 4.03, shall be elected by the board of directors, and each such officer shall hold office at the discretion of the board until his or her death, resignation, or removal with or without cause.

(b) Resignations. Any officer may resign at any time upon written notice to the corporation. The resignation shall be effective upon receipt thereof by the corporation or at such subsequent time as may be specified in the notice of resignation.

Section 4.03 **Subordinate Officers, Committees and Agents**. The board of directors may from time to time elect such other officers and appoint such committees, employees or other agents as the business of the corporation may require, including without limitation, one or more vice presidents, one or more assistant secretaries and one or more assistant treasurers, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these bylaws or as the board of directors may from time to time determine. The board of directors may delegate to any officer or committee the power to elect subordinate officers and to retain or appoint employees or other agents, or committees thereof, and to prescribe the authority and duties of such subordinate officers, committees, employees, or other agents.

Section 4.04 **Removal of Officers and Agents**. Any officer or agent of the corporation may be removed by the board of directors with or without cause. The removal shall be without prejudice to the contract rights, if any, of any person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4.05 **Vacancies**. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, may be filled by the board of directors or by the officer or committee to which the power to fill such office has been delegated pursuant to Section 4.03, as the case may be, and if the office is one for which these bylaws prescribe a term, shall be filled for the unexpired portion of the term.

Section 4.06 **Authority**.

(a) General Rule. All officers of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the corporation as may be provided by or pursuant to these bylaws or, in the absence of controlling provisions in these bylaws, as may be determined by or pursuant to resolutions or orders of the board of directors.

(b) Chief Executive Officer. The board of directors shall designate from time to time by resolution a chief executive officer. Such chief executive officer may be, but need not be, the president or chair of the board.

Section 4.07 **The Chief Executive Officer**. The chief executive officer may have general supervision over the business and operations of the corporation, subject however, to the control of the board of directors. The chief executive officer may sign, execute and acknowledge, in the name of the corporation, deeds, mortgages, bonds, contracts or other instruments, authorized by the board of directors, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors, or by these bylaws, to some other officer or agent of the corporation and, in general, may perform all duties incident to the office of chief executive officer and such other duties as from time to time may be assigned by the board of directors.

Section 4.08 **The President**. The president may have general supervision over the business and operations of the corporation, subject however, to the control of the board of directors and the chief executive officer, as applicable. The president may sign, execute and acknowledge, in the name of the corporation, deeds, mortgages, bonds, contracts or other instruments, authorized by the board of directors, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors, or by these bylaws, to some other officer or agent of the corporation and, in general, may perform all duties incident to the office of president and such other duties as from time to time may be assigned by the board of directors or the chief executive officer.

Section 4.09 **The Vice Presidents**. The vice presidents (which term shall include vice presidents, senior executive vice presidents, executive vice presidents and senior vice presidents) shall perform such duties as may from time to time be assigned to them by the board of directors or by the chief executive officer.

Section 4.10 **The Secretary**. The secretary or an assistant secretary shall attend all meetings of the shareholders and of the board of directors and shall record all the votes of the shareholders and of the directors and the minutes of the meetings of the shareholders and of the board of directors and of committees of the board in a book or books to be kept for that purpose; shall see that notices are given and records and reports properly kept and filed by the corporation as required by law; shall be the custodian of the seal of the corporation and see that it is affixed to all documents to be executed on behalf of the corporation under its seal; and, in general, shall perform all duties incident to the office of secretary, and such other duties as may from time to time be assigned by the board of directors or by the chief executive officer.

Section 4.11 **The Treasurer**. The treasurer or an assistant treasurer shall have or provide for the custody of the funds or other property of the corporation; shall collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the corporation; shall deposit all funds in his, her or its custody as treasurer in such banks or other places of deposit as the board of directors may from time to time designate; shall, whenever so required by the board of directors, render an account showing all transactions as treasurer and the financial condition of the corporation; and, in general, shall discharge such other duties as may from time to time be assigned by the board of directors or by the chief executive officer.

Section 4.12 **Salaries**. The salaries of the officers elected by the board of directors shall be fixed from time to time by the board of directors or by such officer or committee as may be designated by resolution of the board. The salaries or other compensation of any other officers, employees and other agents shall be fixed from time to time by the officer or committee to which the power to elect such officers or to retain or appoint such employees or other agents has been delegated pursuant to Section 4.03. No officer shall be prevented from receiving such salary or other compensation by reason of the fact that the officer is also a director of the corporation.

ARTICLE V.
Notices

Section 5.01 **Manner of Giving Notice**. Whenever written notice is required to be given to any person under the provisions of the PBCL, or by the articles or these bylaws, it may be given to the person either personally or by sending a copy thereof (i) by first class or express mail, postage prepaid, or courier service, charges prepaid, to the postal address appearing on the books of the corporation, or, in the case of directors, supplied by the director to the corporation for the purpose of notice or (ii) by facsimile transmission, e-mail or other electronic communication to the person's facsimile number or address for e-mail or other electronic communications supplied by that person to the corporation for the purpose of notice. If the notice is sent by mail or courier service, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or courier service for delivery to that person. If the notice is sent by facsimile transmission, e-mail, or other electronic communication, it shall be deemed to have been given to the person entitled thereto when sent. A notice of meeting shall specify the day and hour and geographic location, if any, of the meeting and any other information required by any other provision of the PBCL, the articles or these bylaws.

Section 5.02 Waiver of Notice.

(a) Written Waiver. Whenever any notice is required to be given under the provisions of the PBCL, the articles or these bylaws, a waiver thereof, which is filed with the secretary in record form signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of the notice. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting.

(b) Waiver by Attendance. Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 5.03 Modification of Proposal Contained in Notice. Whenever the language of a proposed resolution is included in a written notice of a meeting required to be given under the provisions of the PBCL or the articles or these bylaws, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.

Section 5.04 Exception to Requirement of Notice. Whenever any notice or communication is required to be given to any person under the provisions of the PBCL or by the articles or these bylaws or by the terms of any agreement or other instrument or as a condition precedent to taking any corporate action and communication with that person is then unlawful, the giving of the notice or communication to that person shall not be required.

ARTICLE VI.
Uncertificated Stock, Transfer, Etc.

Section 6.01 Uncertificated Shares.

(a) Uncertificated Shares. Except as otherwise specifically provided in the articles, shares of common stock and shares of any and all classes or series of any class of Preferred Stock shall be in the form of uncertificated shares. To the extent that shares of the corporation are certificated, certificates for shares of the corporation shall be in such form as approved by the board of directors. Notwithstanding this provision, any shares of the corporation represented by a physical stock certificate issued on or before July 24, 2018, including any certificates previously issued by PECO Energy Company and Philadelphia Electric Company, shall continue to be represented thereby until such physical stock certificate is surrendered to the corporation.

(b) Statements. Within a reasonable time after the issuance or transfer of uncertificated shares, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates. Except as otherwise expressly provided by law, the rights and obligations of the holders of shares represented by certificates and the rights and obligations of the holders of uncertificated shares of the same class and series shall be identical.

(c) Share Register. The share register or transfer books shall be kept by the secretary or by any transfer agent or registrar designated by the board of directors for that purpose.

Section 6.02 **Transfer**. Shares of the corporation represented by certificates shall be transferred on the share register or transfer books of the corporation upon surrender of the certificate therefor, endorsed by the person named in the certificate or by an attorney lawfully constituted in writing. No transfer shall be made inconsistent with the provisions of the Uniform Commercial Code, 13 Pa.C.S. §§ 8101 *et seq*., and its amendments and supplements. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares, such uncertificated shares shall be canceled, and the issuance of new equivalent uncertificated shares shall be made to the person entitled thereto and the transaction shall be recorded upon the books of the corporation. Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates.

Section 6.03 **Record Holder of Shares**. The corporation shall be entitled to treat the person in whose name any share or shares of the corporation stand on the books of the corporation as the absolute owner thereof and shall not be bound to recognize any equitable or other claim to, or interest in, such share or shares on the part of any other person.

Section 6.04 **Lost, Destroyed or Mutilated Certificates**. The holder of any shares of the corporation shall immediately notify the corporation of any loss, destruction or mutilation of the certificate therefor, and the treasurer, the secretary or any assistant treasurer or assistant secretary of the corporation may direct new uncertificated shares to be issued to such holder, in case of mutilation of the certificate, upon the surrender of the mutilated certificate or, in case of loss or destruction of the certificate, upon satisfactory proof of such loss or destruction and, if any such officer shall so determine, the deposit of a bond in such form and in such sum, and with such surety or sureties, as any of them may direct.

ARTICLE VII.
Indemnification of Directors, Officers and Other Authorized Representatives; Personal Liability of Directors

Section 7.01 **Right to Indemnification**. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, claim, action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "***proceeding***"), by reason of the fact that such person is or was a director or an officer of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, its participants or beneficiaries (hereinafter an "***indemnitee***"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the corporation to the fullest extent permitted or required by the PBCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than such law permitted the corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) actually and reasonably incurred or suffered by such indemnitee in connection therewith if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful; *provided*, *however*, that, except as provided in Section 7.03 with respect to proceedings to enforce rights to indemnification or to advancement of expenses, the corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the board of directors of the corporation. The termination of any proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. Notwithstanding the foregoing, in the case of any proceeding by or in the right of the corporation, no person shall be entitled to indemnification under this Section 7.01 if such person has been adjudged to be liable to the corporation unless and only to the extent that the court of common pleas of the judicial district embracing the county in which the registered office of the corporation is located or the court in which the action was brought determines upon application that, despite the adjudication or liability but in view of all of the circumstances of the case, the person is fairly and reasonably entitled to indemnity for the expenses that the court of common pleas or other court deems proper. Action with respect to an employee benefit plan taken or omitted in good faith by a representative of the corporation in a manner such representative reasonably believed to be in the interest of the participants and beneficiaries of the plan shall be deemed to be action in a manner that is not opposed to the best interests of the corporation.

Section 7.02 Right to Advancement of Expenses. The right to indemnification conferred in Section 7.01 shall include the right to be paid by the corporation the expenses (including, without limitation, attorneys' fees and expenses) incurred in defending or otherwise participating in any such proceeding in advance of its final disposition (hereinafter an "***advancement of expenses***"); *provided*, *however*, that, if the PBCL so requires, an advancement of expenses incurred by an indemnitee shall be made only upon delivery to the corporation of an undertaking (hereinafter an "***undertaking***"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined that such indemnitee is not entitled to be indemnified for such expenses under Section 7.01, Section 7.02 or otherwise. The rights to indemnification and to the advancement of expenses conferred in Sections 7.01 and 7.02 shall be contract rights, and such rights shall continue as to an indemnitee who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the indemnitee's heirs, executors, and administrators. Each person who shall act as an indemnitee of the corporation shall be deemed to be doing so in reliance upon the rights provided by this Article VII.

Section 7.03 Right of Indemnitee to Bring Suit. If a claim under Section 7.01 or Section 7.02 is not paid in full by the corporation within sixty (60) calendar days after a written claim has been received by the corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) calendar days, the indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (a) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (b) any suit brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the corporation shall be entitled to recover such expenses if the indemnitee has not met any applicable standard for indemnification set forth in the PBCL. Neither the failure of the corporation (including its board of directors, independent legal counsel or shareholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the PBCL, nor an actual determination by the corporation (including its board of directors, independent legal counsel or shareholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VII or otherwise shall be on the corporation.

Section 7.04 **Non-Exclusivity of Rights**. The rights to indemnification and to the advancement of expenses conferred in this Article VII shall not be exclusive of, nor be deemed in limitation of, any other right to which any person may otherwise be or become entitled or permitted under any statute, the articles, these bylaws, any agreement, any vote of shareholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding that office; *provided*, *however*, that no such indemnification shall be made in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

Section 7.05 **Insurance**. The corporation may maintain insurance, at its expense, to protect itself and any current or former director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability, or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability, or loss under the PBCL.

Section 7.06 **Indemnification of Employees and Agents of the Corporation**. The corporation may, to the extent authorized from time to time by the board of directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the corporation to the fullest extent of the provisions of this Article VII with respect to the indemnification and advancement of expenses of directors and officers of the corporation.

Section 7.07 **Interpretation; Amendments**. Sections 7.01 through 7.07 of this Article VII are intended to constitute bylaws authorized by Section 1746 of the PBCL. Any repeal, amendment or modification of any provision contained in this Article VII shall, unless otherwise required by law, be prospective only (except to the extent any amendment or change in law permits the corporation to further limit or eliminate the liability of directors or officers) and shall not adversely affect any right or protection of any current or former director or officer of the corporation existing at the time of such repeal, amendment or modification with respect to any acts or omissions occurring prior to such repeal, amendment or modification.

Section 7.08 **Personal Liability of Directors**.

(a) A director shall not be personally liable, as such, for monetary damages (including, without limitation, any judgment, amount paid in settlement, penalty, punitive damages or expenses of any nature, including, without limitation, attorneys' fees and disbursements) for any action taken, or any failure to take any action, before, on or after the date of these bylaws, unless: (i) the director has breached or failed to perform the duties of his or her office under Subchapter B of Chapter 17 of the PBCL; and (ii) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

(b) The provisions of Section 7.08(a) shall not apply to the responsibility or liability of a director pursuant to any criminal statute, or the liability of a director for the payment of taxes pursuant to federal, state, or local law.

(c) No amendment, modification or repeal of this Section 7.08 shall have any effect on the liability or alleged liability of any director of the corporation for or with respect to any such act on the part of such director occurring prior to the effective date of such amendment, modification or repeal.

ARTICLE VIII.
Emergency Bylaws

Section 8.01 Scope of Article. This Article shall be applicable during any emergency resulting from a catastrophe as a result of which a quorum of the board of directors cannot readily be assembled. To the extent not in conflict with this Article, these bylaws shall remain in effect during the emergency.

Section 8.02 Special Meetings of the Board. A special meeting of the board of directors may be called by any director by means feasible at the time.

Section 8.03 Emergency Committee of the Board.

(a) Composition. The emergency committee of the board shall consist of nine persons standing highest on the following list who are available and able to act:

The chief executive officer.
Members of the board of directors.
President.
The individual who, immediately prior to the emergency, was the senior officer in charge of other operations.
The individual who, immediately prior to the emergency, was the senior officer in charge of finance operations.
Other officers.

Where more than one person holds any of the listed ranks, the order of precedence shall be determined by length of time in rank. Each member of the emergency committee thus constituted shall continue to act until replaced by an individual standing higher on the list. The emergency committee shall continue to act until a quorum of the board of directors is available and able to act. If the corporation has no directors, the emergency committee shall cause a special meeting of shareholders for the election of directors to be called and held as soon as practicable.

(b) Powers. The emergency committee shall have and may exercise all of the powers and authority of the board of directors, including the power to fill a vacancy in any office of the corporation or to designate a temporary replacement for any officer of the corporation who is unavailable, but shall not have the power to fill vacancies in the board of directors.

(c) Quorum. A majority of the members of the emergency committee in office shall constitute a quorum.

(d) Status. Each member of the emergency committee who is not a director shall during his or her service as such be entitled to the rights and immunities conferred by law, the articles and these bylaws upon directors of the corporation and upon persons acting in good faith as a representative of the corporation during an emergency.

ARTICLE IX.
Miscellaneous

Section 9.01 **Corporate Seal**. The corporation may have a corporate seal in the form of a circle containing the name of the corporation, the year of incorporation and such other details as may be approved by the board of directors from time to time.

Section 9.02 **Checks**. All checks, notes, bills of exchange or other orders in writing shall be signed by such person or persons as the board of directors or any person authorized by resolution of the board of directors may from time to time designate.

Section 9.03 **Contracts**. Except as otherwise provided in the PBCL in the case of transactions that require action by the shareholders, the board of directors may authorize any officer or agent to enter into any contract or to execute or deliver any instrument on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 9.04 **Voting by the Corporation**. Shares of or memberships in a domestic or foreign corporation for profit or not-for-profit other than the corporation, standing in the name of a shareholder or member that is the corporation, may be voted by the persons and in the manner provided for in the case of business corporations by Section 2.12(a) unless the laws of the jurisdiction in which the issuer of the shares or memberships is incorporated require the shares or memberships to be voted by some other person or persons or in some other manner in which case, to the extent that those laws are inconsistent herewith, this Section 9.04 shall not apply.

Section 9.05 **Interested Directors or Officers; Quorum**.

(a) General Rule. A contract or transaction between the corporation and one or more of its directors or officers or between the corporation and another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise in which one or more of its directors or officers are directors or officers or have a financial or other interest, shall not be void or voidable solely for that reason, or solely because the director or officer is present at or participates in the meeting of the board of directors that authorizes the contract or transaction, or solely because his, her or their votes are counted for that purpose, if:

(i) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors and the board authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors even though the disinterested directors are less than a quorum;

(ii) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the shareholders entitled to vote thereon and the contract or transaction is specifically approved in good faith by vote of those shareholders; or

(iii) the contract or transaction is fair as to the corporation as of the time it is authorized, approved, or ratified by the board of directors or the shareholders.

(b) Quorum. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board which authorizes a contract or transaction specified in Section 9.05(a).

Section 9.06 Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board of directors may approve or designate, and all such funds shall be withdrawn only upon checks signed by such one or more officers or employees as the board of directors shall from time to time determine.

Section 9.07 Corporate Records.

(a) Required Records. The corporation shall keep complete and accurate books and records of account, minutes of the proceedings of the incorporators, shareholders and directors and a share register giving the names and addresses of all shareholders and the number and class of shares held by each. The share register shall be kept at the registered office of the corporation in the Commonwealth of Pennsylvania, at the corporation's principal place of business wherever situated, at any actual business office of the corporation or at the office of its registrar or transfer agent. Any books, minutes or other records may be in written form or any other form capable of being converted into written form within a reasonable time.

(b) Right of Inspection. Every shareholder shall, upon written verified demand stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the share register, books and records of account, and records of the proceedings of the incorporators, shareholders and directors and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of the person as a shareholder. In every instance where an attorney or other agent is the person who seeks the right of inspection, the demand shall be accompanied by a verified power of attorney or other writing that authorizes the attorney or other agent to so act on behalf of the shareholder. The demand shall be directed to the corporation at its registered office in the Commonwealth of Pennsylvania, at its principal place of business wherever situated, or in care of the person in charge of an actual business office of the corporation.

Section 9.08 Fiscal Year. The fiscal year of the corporation shall begin on the first day of January in each year.

Section 9.09 Amendment of Bylaws.

(a) General Rule. Except as otherwise provided in the express terms of any series of the shares of the corporation, any one or more of the foregoing bylaws and, except as otherwise stated in this Section 9.09(a) or in the articles, any other bylaws made by the board of directors or shareholders may be amended, modified or repealed by the board of directors. The shareholders or the board of directors may adopt new bylaws except that the board of directors may not adopt, amend, modify or repeal bylaws that the PBCL specifies may be adopted only by shareholders, and the board of directors may not amend, modify or repeal any bylaw adopted by the shareholders that provides that it shall not be amended, modified or repealed by the board of directors. Notwithstanding the foregoing, except as otherwise provided in the express terms of any series of the shares of the corporation, any adoption of new bylaws, or amendment, modification or repeal of the bylaws, by the shareholders shall require the affirmative vote of at least a majority of the voting power of all shares of the corporation entitled to vote generally in the election of directors, voting together as a single class.

(b) Effective Date. Any change in these bylaws shall take effect when adopted unless otherwise provided in the resolution effecting the change.

* * * * *

Exelon Corporation Code of Business Conduct

Performance that Drives Progress

Leadership Message

Our success depends on each of us living up to these standards. I commit to you t I will do so. I expect no less from each and every one of you.

Exelon's vision of performance that drives progress depends on each one of us committing to our values – every job, every shift, every day. Whether it's our companywide commitments to safety, diversity, equity and inclusion, or the communities we serve, we must embrace the highest ethical standards as we pursue our business strategy.

This is your entry point to the Exelon Code of Business Conduct. This is no poster on the wall. Our Code is an active and vibrant part of our everyday business: how we act, how we make decisions, how we treat our partners and colleagues, how we relate to the communities where we each live and work. The Code is designed for use – to answer questions you may have about unclear situations, or simpl to point you in the right direction. In short, Exelon Code of Business Conduct outlines w is expected of all of us to meet our obligatio and gives us resources to understand these requirements and live up to them.

Please read this Code carefully and, if you h any questions, ask your supervisor or conta Compliance and Ethics Office at **EthicsOffic exeloncorp.com**.

Sincerely,
Christopher M. Crane
President and Chief Executive Officer

Table of **Contents**

01 Our Purpose

Powering a cleaner and brighter future for our customers and communities.

Our **Values**

We are dedicated to safety

We are committed to maintaining the highest standards of safety and reliability for our people, our customers and the communities in which we work. As a fundamental part of our culture and operations, every member of the Exelon team is dedicated to putting safety first.

We actively pursue excellence

We are driven to excel. Recognizing the value of constant improvement, we reach beyond compliance to advance our processes and develop more efficient energy. In all we do, we passionately exceed the standards of our industry – and those we set for ourselves – creating value for our shareholders, customers and communities.

We innovate to better serve our customers

We see challenge as an opportunity to exercise our ingenuity and our competitive spirit. We encourage curiosity and exploration to develop better ways of delivering clean energy. We innovate with focus and intent, creating the solutions that matter most for our customers.

We act with integrity and are accoun to our communities and the environ

We are committed to doing what's right. A connection to the communities we serve co us to take responsibility for our work, and w actively look for ways to engage and give b We value the environment and work to red our impact with future generations in mind

We succeed as an inclusive and diverse team

We foster an inclusive culture of trust, collaboration and performance. We welcom and respect people with different perspecti backgrounds and traits because we know t diverse teams drive powerful outcomes.

02 Performance that **Drives Progress**

To deliver on our vision to provide reliable, clean, and affordable energy, each of us – our system engineers, customer support personnel, data analysts, security staff, administrative personnel, and senior executives – must play a key role in building a brighter, more sustainable future. How we run our business is just as crucial as the results we achieve.

Our shared values shape how we work with each other, our customers and our communities. They reflect what is truly important to us as an organization.

They serve as the foundation of our culture and the Exelon Code of Business Conduct (the Code), and help guide behavior and decision making across Exelon.

Wherever we operate, each one of us represents Exelon. Each of us is the face of the company in our local communities. Living the values every day and following the Code sets us apart from other companies and ensures performance that drives progress.

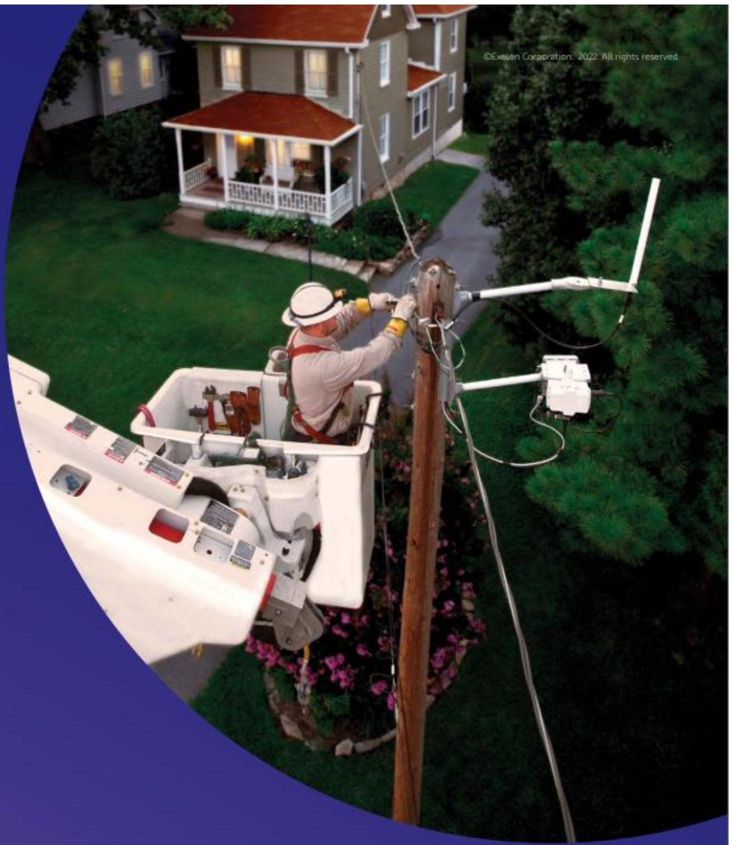
03 Following **the Code**

Because we actively pursue excellence, each of us must reach beyond compliance. Setting the bar high strengthens our reputation as an industry leader and is the right way to conduct our business.

While the Code cannot describe all situations where questions of ethics may arise, it is a resource for making effective, ethical business decisions. It enables us to identify situations that may raise ethical and legal issues. It also helps us understand what Exelon expects of each of us.

We are all accountable for following the Code. Specifically, the Code applies to:

- Employees, officers, and directors of Exelon and its subsidiaries
- Third party vendors and contractors m adhere to the Code's principles describ in the **Exelon Supplier Code of Conduc**



04 Our Responsibilities

We are all responsible for understanding and following the Code. Integrity and accountability require that we:

- Are honest
- Live our values every day
- Follow the law, regulatory requiremen and Exelon policies when conducting company business
- Treat everyone with respect and decer
- Use common sense and good judgmer
- Promptly seek guidance when unsure about the right thing to do
- Speak up when we see a problem

Special Responsibilities of Managers

While we are all expected to do our part in understanding and following the Code, Exelon managers – from first-line supervisors to senior leaders – have an additional responsibility to lead by example and uphold our values.

Managers must:

- Demonstrate the highest ethical standards and quality in their work and hold others to the same standards
- Treat others with respect, while ensuring appropriate accountability
- Not bend the rules or pressure others to do so
- Understand and communicate laws, regulations, policies, and procedures affecting their areas of operation with support from the Legal Department, Compliance and Ethics, and other company subject matter experts
- Encourage team members to speak up without fear of retaliation
- Exercise meaningful oversight of employee actions implicating ethics and compliance
- Act to prevent problems before they happen, and intervene early as problems emerge
- Report problems or possible violations to the Compliance and Ethics Office, HR or the Legal Department
- Promptly seek guidance when they are unsure about the right thing to do

In addition, employees who engage or are responsible for overseeing external business partners must:

- Provide effective oversight of vendors and contractor personnel to ensure third parties adhere to applicable contract terms, provisions of the Exelon Supplier Code of Conduct and company policies and procedures
- Take action – up to and including terminating a contract – if a vendor fails to honor its contractual commitments or violates the Supplier Code of Conduct, and report violations to Supply or the Compliance and Ethics Office.

The Importance of Speaking Up and Seeking Help

An open culture that encourages us to voice our opinions and concerns will help us capture great ideas and mitigate risks we face. When people speak up, we innovate and improve, which drives progress at Exelon. When people speak up to report improper behavior, we can resolve issues before harm is done or ensure prompt, effective remediation of any harm that has occurred.

We must seek advice when we're unsure about the proper course of action. We also are required to speak up immediately if we see something that violates – or could violate – the law or the Code. If something does not feel right, we must take action to ensure that we maintain our standards and serve our customers well.

Resources

If policies and procedures do not provide clear direction, we should ask our managers or the Compliance and Ethics Office for guidance.

There are many resources available when employees have a question or need additional guidance, or when they need to raise a concern or report a potential violation. Supervisors and managers are the best initial source.

An employee can seek assistance throug of the following options:

- Department leadership
- Human Resources
- Compliance and Ethics Office
- Ethics Help Line & Web Portal
- Legal Department
- Exelon Audit Services
- Corporate and Information Security Services

Compliance and Ethics Office

The Compliance and Ethics Office is respon for administering Exelon's Compliance and program. It is the primary resource for seek guidance about the Code and is responsible ensuring that all reports of potential violati are properly investigated and resolved.

The Compliance and Ethics Office can be reached:

- Directly at **EthicsOffice2@Exeloncorp.** or
- Through the **Exelon Ethics Helpline Website**

Exelon Help Line and Web Portal

The Ethics Help Line and web portal are available 24 hours a day, every day of the year. Both have an anonymous reporting option. The Help Line is a dedicated resource for asking compliance and ethics questions, raising compliance and ethics concerns, and reporting suspected violations of the law or the Code. No attempt is made to identify individuals who choose to remain anonymous.

All calls to the Help Line are answered by an independent third-party vendor that offers multilingual service. Caller ID is not used. A report of each call is forwarded to the Compliance and Ethics Office for assessment and appropriate follow-up action.

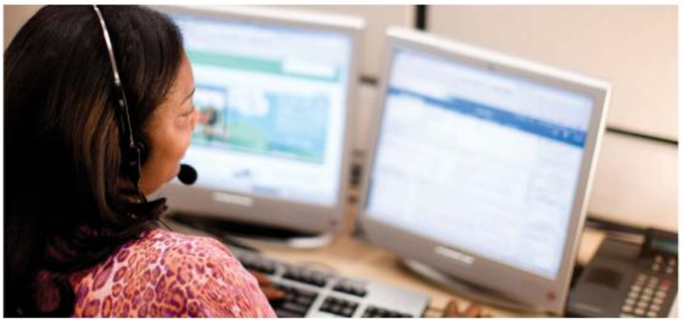
All reporters are issued a case number and a confidential Report Key and password that allows the reporter to follow up on a report, even if the reporter has chosen to remain anonymous. During a follow up, a reporter can access responses from the Compliance and Ethics Office, including requests for additional information that may be required before an effective investigation can occur.

The Ethics Help Line

(with anonymous reporting option) can be reached:

By phone:
1-800-23ETHIC
(1-800-233-8442)

Via web portal:
On your Exelon Connect home page, click the Ethics Helpline tab located in the footer, and follow the prompts, or enter the following address into your browser: **https://secure.ethicspoint.com/domain/media/en/gui/71992/index.html**



Reporting Possible Violations

Ethical, legal, and regulatory lapses can harm many Exelon stakeholders – including employees, customers, investors, and the communities we serve. They can also negatively impact our hard-earned reputation as an energy industry leader.

We all have the responsibility to report promptly – and in good faith – any activity that may violate the Code or applicable laws, rules, or regulations. As noted in the Resources section, there are multiple options for reporting possible violations.

Note that these options do not restrict employees in the exercise of their rights to report a concern to regulatory and law enforcement authorities including, but not limited to the Equal Employment Opportunity Commission, the Federal Energy Regulatory Commission Department of Justice, and the Securities ar Exchange Commission.

All reports will be treated confidentially, to fullest extent possible under the circumstar Employees must cooperate completely and honestly in any investigation. When an alle is substantiated Exelon will take appropriat corrective action, including measures to pre similar issues from occurring in the future.

For more information, see Management Model Procedure **LE-AC-204**, Reporting Potential Violations of the Code of Busine Conduct.

No Tolerance for **Retaliation**

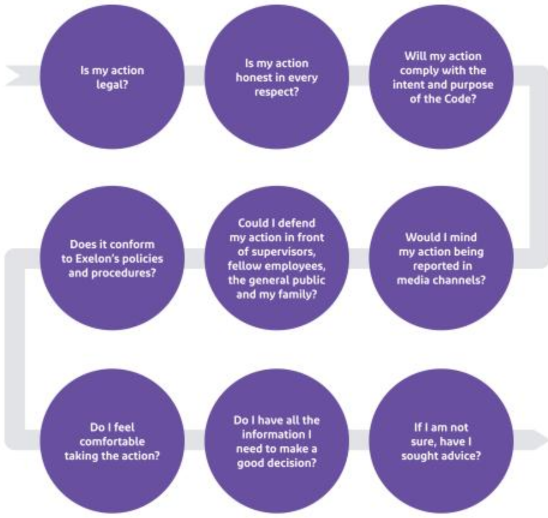
Exelon will not tolerate retaliation against anyone who, in good faith, raises a question or concern about a potential violation of the Code or potential non-compliance with applicable laws or regulations. Retaliation in any form – threats, harassment, intimidation, violence, reassignment, demotion, or firing – has no place in our organization.

If any employee believes they have been subjected to retaliation because of speaking out or participating in an investigation, the employee should immediately contact one of the entities listed in the Resources section. Anyone who threatens or engages in any act of retaliation is subject to discipline, up to and including termination.

Making **Ethical Decisions**

How we make decisions says as much about who we are as a company as the decision itself. It is important to make decisions we can be proud of.

This decision tree can help us navigate gray and ensure we make the best choices for E



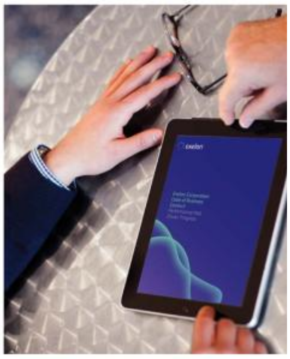
03 How We Uphold the Code

Investigations

Exelon takes each report seriously, no matter how the report is received. Our procedures are designed to promptly review and address each issue.

Participating completely and honestly in any investigation conducted by the company is mandatory. Withholding information or being untruthful in an investigation can lead to discipline, up to and including termination.

For more information, see Corporate Procedure **LE-AC-205**, Investigating and Resolving Alleged Violations of the Code of Business Conduct.



Certification of **Compliance**

All non-represented employees, officers, and directors of Exelon and its subsidiaries must complete a certification of compliance questionnaire each year, which is reviewed and followed up on, as appropriate, by the Com[
and Ethics Office. Responses that identify potential violations of the law or Code will l
fully investigated.

Disciplinary **Action**

The Code is important to the company and violations will not be tolerated. The Code must be appropriately enforced, regardless of the seniority, role, or location of those involved in misconduct.

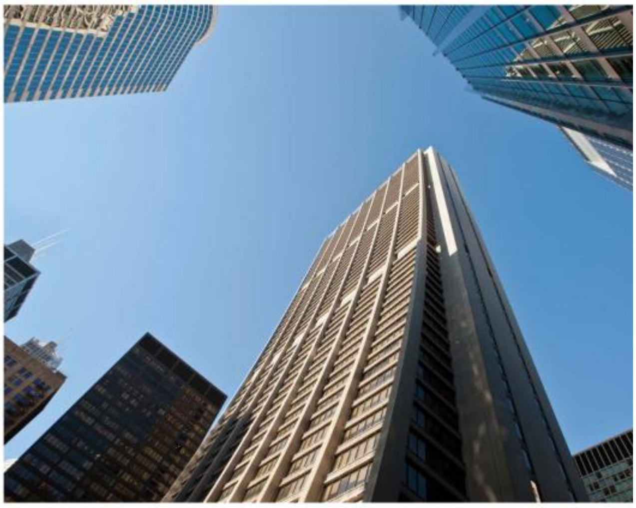
Exelon will consider matters involving potential criminal conduct for referral to law enforcement.

Disciplinary action may be taken against any Exelon employee, officer, or director who:

- Authorizes or participates in actions that violate the Code or the law
- Fails to report or delays the reporting of a Code violation
- Fails to cooperate with an investigation, conceals information or otherwise intentionally obstructs an investigation concerning a suspected violation of the Code or law
- Retaliates or discriminates in any way against anyone who, in good faith, reports a suspected Code or legal violation or cooperates in an investigation of a suspected violation
- Fails to complete or falsely completes a certification of compliance or related questionnaire

Types of discipline may include:

- Reprimand or warning
- Suspension or other administrative leave
- Demotion
- Reduction of bonus or incentive award
- Restitution for losses or damages
- Termination of employment



Waivers

A waiver of any provision of the Code will be made only in exceptional circumstances for substantial cause. Requests for waivers must be submitted to the Chief Compliance and Ethics Officer for review and resolution. Any request for a waiver by any director or executive officer must be submitted to Exelon's Board of Directors or a Board committee. In addition, any waiver of a provision in the Code for any director or executive officer must be disclosed to shareholders.

06 Our People

Promoting a Safe a Healthy Workplac

How We Live Our Values

We must maintain the highest stan of safety and reliability for our peop our customers, and the public.

Why It's Important

We are dedicated to safety – this is an Exelon value. Our people do complicated work that can be dangerous if not performed in a safe manner. Maintaining the highest standards of safety and reliability helps keep our people, customers, and the public free from harm, our job sites secure and our productivity levels high. No job is so important and no schedule so urgent that we can't take the time to plan, perform and supervise work in a safe and compliant manner.

We seek to prevent all accidents and injuries, and Exelon will provide the resources needed to keep our worksites safe and healthy. In turn, we are all accountable for properly using these resources to eliminate health and safety hazards.

Our commitment to safety also includes protecting our employees from the risk of violence in the workplace. Acts of violence, threats and physical intimidation are strictly prohibited at any Exelon work location.

What's Expected

"Safety first" requires us to:

- Report to work fit for duty, take responsibility for our own safety and look out for the safety of others
- Know and follow all health and safety laws and regulations, as well as Exelon policies, procedures and established practices
- Ensure the safety and security of our customers and communities through compliance with safety regulations and sharing relevant safety information
- Eliminate potential hazards and continually improve safety performance in all areas of the company
- Not take unnecessary risks on the job
- Stop work immediately if it cannot be done safely
- Speak up immediately if we:
  - See a health or safety hazard
  - Have a safety incident or near-miss
  - Observe threatening or violent behavior
  - Observe any other behavior or event that could signal unsafe working conditions or actions, including physical contact with others or comments about plans to hurt someone
- Not possess any weapons, explosives, or incapacitating devices on company property, job sites or while on duty, in company vehicles (unless specifically authorized by company policies, or with prior approval from Corporate and Information Security Services)

The Right Decisions

Q A co-worker recently challenged our supervisor regarding a work plan for a new proj suggesting we consider a different approach because of concerns for the safety of th employees performing the work. The suggested alternative would lengthen the time complete the project and the supervisor rejected it without discussion. Should I pursu the issue further?

A Yes. Our commitment to employee safety must come first. You and your co-workers may be able to get your supervisor to reconsider and discuss the safety issue. If you'r not comfortable having that conversation and the concerns persist, the situation mus be reported either up the management chain or to other resources, including the Compliance and Ethics Office, the Legal Department, or Human Resources.

Maintaining a **Drug-Free and Alcohol-Free Workplace**

How We Live Our Values

We require a drug-free and alcohol-free workplace that supports Exelon's commitment to the safety and health of our people and the public.

Why It's Important

Safety is our priority. To do our work safely and effectively, we must be able to think clearly and react quickly. The health, safety, and performance of everyone at Exelon demands that we are free from any substances – including drugs and alcohol – that could prevent us from doing our jobs properly.

What's Expected

Maintaining a drug- and alcohol-free workplace requires that we must:

- Not use, possess or be under the influence of illicit drugs or alcohol while on duty, on company premises, or in company vehicles
- Recognize the signs of others being under the influence of alcohol or drugs, including slurred speech, bloodshot eyes, uneven gait or stumbling, and the odor of alcohol, marijuana, or similar substances
- Follow all laws and regulations governing the use or possession of alcohol and drugs
- Speak up immediately if we observe a colleague who may be under the influence of alcohol or drugs while at work
- Use good judgment when alcohol is served at Exelon-sponsored events
- Inform Exelon's Occupational Health and Safety Department if using, for medical reasons, any prescription or non-prescription drug that may impair alertness or judgment

For more information, see **HR-AC-16**, our Drug and Alcohol Policy.

The Right Decisions

Q I recently noticed that a co-worker had alcohol on his breath while at work the last fe mornings. Do I need to report it to someone?

A Yes. We can't ignore potential violations of our Drug and Alcohol policies. Employees under the influence of drugs or alcohol pose a safety risk to themselves, other employees, and customers. We also want to encourage employees who may be suffering from substance abuse to use the resources provided by the company, such as the Employee Assistance Program (EAP). You must immediately report your observations to your supervisor or, if that is uncomfortable or impractical, to Human Resources or the Compliance and Ethics Office.

Living **Diversity, Equity, and Inclusion**

How We Live Our Values

At Exelon, we value our differences in background, skills, perspectives and thinking. We must make the most of everyone's contribution to collaborate, innovate and perform to our full potential.

Why It's Important

Exelon operates in a world that's extremely diverse. Valuing individual differences in race, color, national origin, ethnicity, gender, sexual orientation, gender identity, disability, religious affiliation, experience and thought makes us a stronger, more successful organization. When we're inclusive, we all contribute to solving problems, overcoming challenges, and achieving our vision of performance that drives progress.

Diversity, Equity, and Inclusion at Exelon strengthen us because they:

- Foster an environment of mutual respect and trust, in which each of us has the opportunity to grow and contribute our greatest potential
- Enable us to attract, retain and develop colleagues who will best serve and represent our customers, shareholders, partners, and communities
- Provide different viewpoints that promote innovation, drive powerful outcomes, and ultimately make the company more successful

What's Expected

We must:

- Welcome and respect people with different perspectives, backgrounds, and traits
- Evaluate individuals based on qualifications and demonstrated skills and achievements without regard to personal characteristics, including, for example, race, color, national origin, ethnicity, gender, sexual orientation, gender identity, disability, or religious affiliation
- Consider a diverse range of candidates in hiring, promotion, and other employment decisions
- Promote communication that is open, direct, honest, and respectful

For more information, see our **Diversity, Equity & Inclusion** page on Exelon Connect and **Diversity & Inclusion Annual Report**.

The Right Decisions

Q We are looking for a new technician at one of our facilities. One of the applicants is missing a limb. He has a prosthetic and has the right training, but some people on th hiring team have questioned whether his disability will limit his ability to complete hi job duties in an effective and timely manner. How should this situation be handled?

A We succeed as an inclusive and diverse team. Basing a hiring decision in whole or in part on an applicant's disability may violate the law. An applicant with a disability should not be excluded from consideration based on assumptions or misperceptions. Talent Acquisition, Human Resources, Occupational Health and Safety, and the Legal Department should be consulted so they can work collaboratively with management and the applicant to determine whether the applicant's disability restricts his ability to perform the essential functions of his job and, if so, whether reasonable accommodations exist that will permit him to perform those essential functions. The fact that a reasonable accommodation may be required should not affect our evaluat of his candidacy. If this candidate can perform all the essential functions of the positi with reasonable accommodation, hiring him offers the benefits that a different perspective and experience will bring to the team.

> Including diverse perspectives into our thinking leads to greater innovation, increased employee engagement and better solutions to take advantage of opportunitie and overcome challenges.
>
> **Christopher M. Crar**

Promoting a
Respectful Workplace

How We Live Our Values

At Exelon, we thrive by treating each other with respect, fairness, and dignity.

Why It's Important

Our people have the right to come to work in an atmosphere that is free from harassment. A respectful workplace allows us to focus on what's important: collaborating with each other to provide reliable, clean, and affordable energy.

Whether we are at an Exelon facility, at an offsite company-sponsored function or representing the company in any way, harassment that impacts our workplace is unacceptable. Harassment violates the Code, our core values and often the law – and it won't be tolerated.

What's Expected

A respectful workplace requires that we:

- Deal with others in a considerate, courteous, and respectful manner
- Think about how our actions and comments might be received by others before we act or speak
- Not make – or tolerate – comments, insults, jokes, or slurs with sexual, racial, gender, or ethnic innuendo
- Do not engage in abusive conduct, including verbal abuse and physical conduct that another person would find threatening or humiliating
- Do not display or disseminate pictures, cartoons or posters that denigrate any protected personal characteristic
- Provide a work environment free of unwelcome sexual advances, requests for sexual favors and other unwelcome verbal or physical conduct of a sexual nature
- Apologize if something we do or say causes offense
- Speak up to report harassment without fear of retaliation

For more information, see **HR-AC-72**, our Policy Against Discrimination, Harassment, and Retaliation, and **HR-AC-73**, our Policy Against Sexual Harassment.

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The Right Decisions

Q After completing a large project, our team celebrated with a company-sponsored din at a local restaurant. After several drinks, one of my co-workers told several sexually suggestive jokes and made a similarly themed comment about one of our female co-workers who was present, but out of earshot. Several other employees looked uncomfortable, but no one said anything. Shortly afterward, I noticed one female co-worker leave the restaurant abruptly. What should I do?

A You should speak up. If you are comfortable doing so, tell your co-worker that the jok and comments are unwelcome and inappropriate. Whether you address it directly or not, you must report the incident to your supervisor, HR and/or the Compliance and Ethics Office. Although the dinner was off company premises, it was a work-related event and Exelon's expectations regarding values and acceptable behavior apply. Fostering a culture of trust, collaboration and performance means that no employee should be made to feel uncomfortable, even in a more informal "social" setting.

07 Our Company

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Avoiding Conflicts of Interest

How We Live Our Values

We must make decisions and act in t best interests of Exelon, not allowin personal interests to get in the way what's right for our business, custom or shareholders.

Conflict of Interest Quick Test

If I take this course of action:

1. Will I feel obligated to someone else?
2. Am I acting inconsistently with Exelon's values?
3. Could my independent judgment be compromised?
4. Could it give the appearance of impropriety or divided loyalty?

If you answer "yes" to any of these questions, a real or perceived conflict of interest may exist. Immediately seek guidance from a manager or the Compliance and Ethics Office.

What's Expected

To avoid conflicts of interest you should:

- Refuse to participate in any activity, interest or association that could compromise your individual judgment and prevent you from acting in the best interests of the company
- Recognize that even the appearance of a conflict between personal interests and those of Exelon can undermine trust
- Avoid actions that may lead to the appearance of a conflict of interest
- Seek guidance from a manager or the Compliance and Ethics Office whenever there is a question concerning an actual or potential conflict of interest
- Promptly disclose all potential conflicts to the Compliance and Ethics Office
- Remove yourself from the decision making process in any situation that might present even the appearance of a conflict of interest

Why It's Important

With every business decision and choice that we make, we have an impact on the performance and reputation of Exelon. Our decisions must be based on the facts and our best judgment, while being mindful of our core values and what's best for the company.

Allowing personal interests, relationships, or activities outside of work to interfere with our jobs or our ability to make objective business decisions for the good of Exelon is a conflict of interest. Such conflicts must be avoided because they can harm our effectiveness as well as our reputation for integrity. Even the appearance of a conflict of interest can make others think we are acting improperly. Many conflicts of interest can be avoided or addressed if promptly disclosed and properly managed. This section provides guidance on some of the more common conflicts of interest, but it cannot cover every situation we may face.

Personal Relationships

Personal relationships with family members, close friends or romantic partners must not impact, or even appear to impact, our judgment and decision making for Exelon.

To avoid conflicts of interest, we must:

- Make decisions objectively, without favoritism and in the best interest of the company
- Promptly disclose to the Compliance and Ethics Office or Human Resources any personal relationships that create or appear to create a conflict of interest
- Not manage any business relationship where the business partner employs someone with whom we have a close personal or family relationship
- Recuse ourselves from employment decisions (including interviewing, hiring, promoting, or disciplining) that involve anyone with whom we have a close personal or family relationship
- Not supervise, directly or indirectly, anyone with whom we have a close personal relationship

Personal or Family Financial Interests

Considerations of personal finances (or thos family and friends) must not impair our abil to make objective decisions on behalf of an in the best interests of the company. This m include investment in, or ownership of, an E competitor, supplier, contractor, or partner.

We must avoid conflicts of interest by:

- Ensuring that our own investments an business relationships do not conflict v our obligation to act in the best interes Exelon
- Promptly disclosing to the Compliance Ethics Office any investments or busine or personal relationships that might cr or appear to create, a conflict of intere
- Not having a material financial interest any organization that does business, se to do business, or competes with Exelo without prior approval

What does "material financial interest" mean?

"Material financial interest" means having financial involvement or ownership interes might influence or reasonably be thought t others to influence an employee's judgmer action in the conduct of Exelon's business. should consult the Compliance and Ethics (for guidance regarding whether specific fin interests are material.

Gifts and Business Entertainment

To maintain integrity in our business relationships, you must not offer or accept gifts, entertainment or anything of value that are intended to influence a business decision or official action relating to Exelon or might be perceived that way by others.

The Right Decisions

Q I have been working with a certain vendor for years. I know the owners and most of their employees pretty well. I am often asked by others at Exelon for input on the vendor's performance, although I don't have direct involvement in payment issues or renewal decisions. During the holidays, they usually send me a gift basket of food that I set out for my team to share. This year, the vendor included a $50 gift card, sent to me personally, with a nice note. I am certain the gift card won't influence my treatment of the vendor and I don't want to insult them. Can I keep the gift card?

A No. A gift card for any amount is no different from cash and accepting it sends the wrong message, even if the sender is well-intentioned. All cash and cash equivalents received from third parties must be declined. You should return it with a polite note explaining that company policy prevents you from accepting.

Avoid conflicts of interest in business relationships by recognizing your obligation to:

- Not offer or accept any gift of more than modest value
- Not accept any monetary gifts, such as cash, gift cards or personal discounts
- Ensure that all business entertainment has a legitimate business purpose
- Decline unacceptable gifts or offers of entertainment and explain that company policy prohibits accepting them (see examples below)
- Decline offers of business entertainment from any third party where payment, contracting or other related decisions about the third party are pending (e.g. a pending RFP or a dispute over vendor compensation or performance)
- Obtain prior guidance from the Compliance and Ethics Office if there is any question whether it is appropriate to accept a particular gift or offer of business entertainment.
- Accurately account for any gifts or entertainment in expense records
- Ensure costs are allocated properly. If travel is necessary to attend a business entertainment event hosted by a third party, Exelon should pay those costs, including lodging. Conversely, if Exelon hosts the event, third-party attendees should pay their own travel and lodging costs
- Obtain guidance from the Compliance and Ethics Office and/or the relevant government and regulatory affairs team before offering or providing any gift, entertainment, or anything of value to any government official or employee of a state owned entity

Here are some examples of generally acceptable gifts and business entertainment, as well as some examples of gifts and entertainment that are generally unacceptabl and must be declined or reviewed by management and the Compliance and Ethics Office to determine if the circumstances allow for acceptance:

Generally Acceptable

Entertainment

- Infrequent meals of reasonable value at business-appropriate locations
- Providing third parties with occasional meals, entertainment, refreshments or incidental hospitality

Gifts

- Mementos, advertising novelties and souvenirs, and promotional or logoed items of modest value
- Small personal gifts or expressions of gratitude, such as flowers

Educational and Training Programs

- Participation in routine training and professional development opportunities offered by vendors, such as seminars and panel presentations, that do not involve paid travel or lavish meals or entertainment

Generally Unacceptable

Entertainment

- Tickets to a playoff game, championshi or other high profile sporting event (for example, the Super Bowl, the Stanley C Finals, the World Series, the World Cup etc.)
- Any entertainment offered by a supplier during a pending RFP or any contract or commercial negotiations
- All-expenses-paid event sponsored by a supplier
- Lavish entertainment or meals at expensive restaurants
- Visiting an adult entertainment venue or other questionable locale
- Frequent meals and entertainment from a continuing business supplier

Gifts

- Paying business partners' travel or lodging to attend an Exelon-sponsored event
- Cash, gift certificates or cash equivalent
- Personal discounts or loans
- Lavish personal gifts, such as designer clothing, handbags or expensive jewelr

Outside Employment and Other Activities

Exelon encourages our people to lead full and productive lives outside of work. While at work, we must give our best effort every day, not allowing outside jobs or other activities to hinder our contributions to Exelon and our customers.

Outside activities – such as community work or serving on the board of a non-profit, or on an educational or residential board – are encouraged as long as they do not interfere with our ability to fulfill our Exelon responsibilities.

To avoid conflicts of interest we must:

- Disclose and obtain prior approval for all outside employment or consulting opportunities (even short-term or hourly consulting engagements)
- Ensure that outside activities do not interfere or create conflicts of interest with our Exelon job responsibilities or performance
- Obtain approval from a manager and the Office of Corporate Governance before serving on any board or advisory board of any for-profit organization
- Not conduct outside business, political campaigns or other similar activities while working on company time
- Not use Exelon resources to conduct activities unrelated to company business
- Not work for a competitor, supplier, or other entity likely to do business with the company

Corporate Opportunities

We must always put Exelon's interests ahead of our own. Any business opportunities we discover, through our work or the use of company property or information, belong to Exelon and must not be used for our personal benefit.

To avoid conflicts of interest we must:

- Bring any on-the-job discoveries or innovations related to Exelon's business to the company's attention
- Not take for ourselves opportunities discovered through the use of company property, company information or our position
- Not use proprietary information acquired on the job for personal gain or any other purpose not in furtherance of our job duties
- Not compete against Exelon or assist others in doing so

Creating, Maintaining and Disclosing Accurate Books and Records

How We Live Our Values

We must maintain complete and accurate records to make responsible business decisions and provide truthful and timely information to Exelon shareholders, investors, regulators, and other stakeholders.

Why It's Important

Business and financial records are essential to our business operations. Exelon relies on the integrity and accuracy of these records to make strategic decisions. Similarly, investors, government agencies, regulators and others rely on the integrity and accuracy of our records and disclosures for their own purposes.

Each of us is responsible for the accuracy of all the records we generate and data we input – from individual timecards to corporate balance sheets to equipment maintenance records. Accurate and transparent record keeping protects our reputation, promotes organizational efficiency and safety, and helps us meet our legal and regulatory obligations. It's also essential in helping our business better serve our customers.

What's Expected

Creating and maintaining accurate books and records and ensuring accurate disclosures requires that we:

- Follow generally accepted accounting principles and all procedures and guidelines in our internal control systems
- Not keep off-the-books accounts or false or incomplete records
- Not make an entry in any record that misrepresents, conceals, or disguises the nature of any transaction, event, or cond
- Record all business transactions, events, conditions accurately, completely, and in timely fashion
- Ensure there is clear, complete, fair, and accurate reporting of financial and non financial information pertaining to busin transactions
- Follow all delegation of authority and segregation of duties requirements estab by the company involving the authorizat creation, approval, and reconciliation of transactions
- Provide receipts and back-up documenta when required
- Not mislead or misinform anyone about business operations or finances
- Immediately report any requests to man accounts, books and records or financial reports, and any suspected misconduct regarding accounting, internal controls o auditing matters to the Compliance and Ethics Office, Exelon Audit Services, or th Legal Department
- Report to Exelon Audit Services any acco or internal control deficiencies that coul adversely affect Exelon's ability to accura record, process, or report financial or operations data

Managing Our Records **Appropriately**

How We Live Our Values

We must accurately manage our records to protect Exelon's proprietary and confidential information and meet our legal and regulatory obligations.

Why It's Important

Proper records management is essential to the vital flow of information within Exelon. It also reduces risks associated with outdated information and helps us meet our legal obligations and respond appropriately in legal and regulatory proceedings.

What's Expected

Proper records management requires that we:

- Maintain, retain and dispose of business records in accordance with Exelon's Records Management Policy
- Abide by all notices for the retention of documents issued by the Legal Department
- Contact the Compliance and Ethics Office or the Legal Department with any questions about what to retain or discard, or for help understanding or complying with any record hold or retention notice

For more information see **LE-AC-4**, our Corporate Policy on Records and Information Management, Retention and Disposition, and **LE-AC-401**, our Corporate Procedure on Records and Information Management, Retention and Disposition.

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Company records can include:

- Communications in any form or media
- Policies and procedures
- Purchase orders and invoices
- Contracts
- Reports, memos, analyses, maps, schedules, tables, presentations, and financial models
- Personnel files
- Production reports

Company records come in all formats and media, including:

- Paper documents, including correspondence, engineering drawings, architectural plans, charts, records, sketches, and maps
- Photographs, prints, and electronic media files
- Electronic records, including databases, email, chat and text messages and other forms of electronic communicatio and documents such as spreadsheets, presentation decks, and written materia
- Audio and video recordings, including voice mail
- Microfilm, microfiche, aperture cards, a other microform media

Note that whether something is a compan record is determined by its content, not where and how it is stored.

Protecting Company Assets

How We Live Our Values

We must protect Exelon's assets and use them responsibly so we can better serve our customers and thrive in a dynamic industry.

Why It's Important

Exelon's assets are essential to running our company efficiently, effectively, and profitably. They are the resources we use to drive progress. While our responsibilities will vary depending on the type of asset and our individual roles within Exelon, one thing remains the same – each of us is responsible for protecting company assets.

- Physical assets include anything tangible that we use to conduct our business, from computers to office supplies and furnishings, all the way to transmission lines, substations, and natural gas mains. The land, buildings, vehicles and inventory Exelon owns or has interests in are also physical assets.
- Information assets include any data relating to Exelon's business, no matter how it is created, distributed, used, or stored. This includes computer software and data in our files and on our servers.
- Intangible assets include Exelon's ideas, inventions, improvements, intellectual property, designs, copyrights, licenses, trademarks, patents, and trade secrets.
- Financial assets include money and anything that can be converted to money, such as stocks, bonds, loans, and deposits.

What's Expected

To protect Exelon's assets, we must:

- Use them prudently, carefully, and efficiently
- Take reasonable steps to protect company assets, ensuring they are not damaged, abused, destroyed, wasted, lost, or stolen
- Use company assets only for Exelon business purposes, regardless of condition or value
- Not sell, lend, borrow, give away or dispose of company assets without proper authorization
- Promptly report any abuse or misuse

Protecting Our Confidential Information

Business information is a critical Exelon asset. We must closely protect the company's confidential information and intellectual property against unauthorized disclosure and misuse, which could limit our growth and threaten our ability to compete in the future.

Protecting Exelon's confidential information requires that we:

- Do not post confidential information on any social media sites
- Do not work with or discuss confidential information in public areas, such as airplanes, elevators, and restaurants, where your conversations may be overheard or confidential information may be viewed by others
- Keep confidential information secure
- Share sensitive information only with authorized co-workers or business partners who have a legitimate need to know
- Take steps to prevent unauthorized individuals from acquiring confidential information
- Do not divulge confidential informatio to persons outside of the Exelon business, except where such disclosure appropriately authorized, legally mand or done in accordance with a confidentiality and non-disclosure agreement
- Continue to protect Exelon confidentia information even if we leave the comp
- Protect our customers' and suppliers' confidential information as we would protect Exelon's confidential informatic and consistent with any additional leg and contractual requirements.

For more information, see our Corporate Procedure **LE-AC-301**, Protecting Exelon Information and related procedures and policies.

The Right Decisions

Q A peer utility asked for copies of specific Management Model policies and procedures. Can I share them with another company?

A There is tension between the company's inclination to share best practices for the benefit of the industry – particularly through industry groups such as EEI, EPRI, or AGA – and our need to control Exelon's proprietary information. In most situations, the right balance is to not hand over our policies and procedures, but rather to provide the other company's personnel with a verbal overview. Contact your management team, the Legal Department or the functional area that has governance over specific documents with questions.

What are some examples of confidential information?

- Business plans, reports, and projections (including estimates or reports of production, reserves, and resources)
- Company policies and procedures that are not publicly disseminated
- Marketing and sales strategies
- Patents, trademarks, and other intellectual property
- Inventions, ideas, proprietary information, and trade secrets
- Estimates and non-public reports of resources, reserves, exploration results and productivity
- Applications, proposals, and contracts
- Unpublished financial information
- Confidential information belonging to other parties with which we do business, such as prices charged or proposed to Exelon for goods and/or services
- Technological developments and designs
- Computer software
- Customer or supplier lists
- Customer information

Using Information and Communications Systems Responsibly

Exelon's information and communications systems are critical to providing reliable, clean, and affordable energy. We all must be prudent and responsible in our use of these systems.

Our information and communications equipment and systems include mobile devices, computers, and networks. They are the property of Exelon, as are the contents of communications shared over these systems, such as email, voicemail, social media posts, instant messages, recordings, texts, and any other electronic messages.

Incidental personal use of these resources is permitted if it's reasonable and does not interfere with work responsibilities or expose Exelon to potential liability.

What is "acceptable use"?

Incidental, infrequent, and reasonable personal use of Exelon mobile devices, computers and related resources is acceptable. Limited personal use of the company's electronic information assets is permitted if it is not detrimental to the productivity of the employee or co-workers, does not cause liability or additional costs to the company, and is not otherwise prohibited by management.

Responsible use of Exelon's information an communications systems requires that we:

- Grant access only to authorized individ
- Rigorously protect passwords and IDs
- Take precautions to ensure company systems and devices are not comprom by malicious electronic threats, such a viruses and phishing schemes
- Recognize that we have no reasonable expectation of privacy when using company-provided information techno and equipment
- Take the same care composing any electronic message that we would whe writing a letter on company letterhead
- Not use Exelon information, communications systems, or equipmer illegal or unethical activities, such as viewing or sending content that is pornographic, obscene, sexually orient harassing, violent, discriminatory, likely incite hatred or otherwise offensive

Substantive business messaging should be conducted on Exelon networks and communication platforms, not on persona accounts, absent special circumstances.

For more information, see our Corporate Procedure **SY-AC-6**, Acceptable Use Polic

Avoiding
Insider Trading

How We Live Our Values

Exelon supports fair and open markets for buying and selling securities. Insider trading is illegal and distorts financial markets.

Why It's Important

Insider trading is illegal and damages the trust we have with our investors, the government, and the marketplace.

Insider trading is committed when people who have material nonpublic information trade in shares or other securities of a company before the information becomes available to the public. Because of our roles at Exelon, many of us have that kind of "inside information" – information that is not known to the public that might be important to someone considering buying or selling shares in Exelon or any other company.

What's Expected

To avoid insider trading, we must:

- Not buy, sell, or trade the stock or other securities of Exelon or any other company while we have inside information
- Prevent inside information from being disclosed to people outside Exelon. This means:
  - Keep it secure – whether it's a physical lock on a file drawer or a password on a laptop or cell phone
  - Share it only with those within the company who have a legitimate business need to know
  - Don't share it with family or friends
  - Never discuss it in public or on social media
- Abstain from making buy or sell recommendations to anyone else while in possession of inside information
- Not engage in "short sales" or trading in market options such as puts or calls on Exelon securities
- Immediately report to the Compliance and Ethics Office or the Legal Department any inside information that has been mistakenly provided to unauthorized individuals

For more information, see our Corporate Procedure **LE-AC-202**, Insider Trading Compliance.

The Right Decisions

Q I was part of a team that recently completed a very significant transaction. As a result, I had access to communications that indicated company earnings would exceed expectations this quarter. I was planning to make some adjustments to my 401(k) account, including an increase in the percentage of company stock included in my contribution, before I saw the earnings communication. Can I still make that adjustment?

A No, not until the earnings results become public. Even when information does not actually influence you, trading after the receipt of insider information and prior to that information becoming public is prohibited by law. This might result in criminal charges and civil penalties against you.

Examples of inside information include:

- Unreleased company financial result and dividends
- Detailed business plans or marketing strategies
- Anticipated mergers, acquisitions, divestitures or joint ventures
- A significant change in corporate strategy
- Significant management changes
- Important developments in legal proceedings

08 Our Customers and Business Partners

Competing with **Integrity**

How We Live Our Values

At Exelon, we must conduct busines honestly, fairly and lawfully. We mus compete vigorously for business opportunities, distinguishing ourselv through integrity, superior performa and value.

Why It's Important

Healthy competition is good for our customers and the communities we serve. Our commitment to fair competition and responsible third-party sourcing policies and practices helps drive progress and value for our customers, communities and shareholders. We must avoid even the appearance of restraining trade or reducing competition.

It's therefore essential that we follow all applicable laws that govern the way companies compete, wherever we do business. These laws are complex and aggressively enforced; the consequences of violations can be serious for the individuals and companies involved. In our dealings with competitors, we must avoid even the appearance of restraining trade or reducing competition.

What's Expected

As regulated utilities, Exelon and its operating companies have few direct "competitors." However, Exelon and its affiliates participate in many competitive markets including but not limited to markets for labor, materials, and services. When participating in competitive markets, we must:

- Comply with antitrust laws and similar laws in any jurisdiction where we conduct business
- Ensure Exelon's business activities do not (and do not appear to) fix prices or costs between competitors, restrict output, divide markets or force a competitor out of business
- Protect from improper disclosure confidential information regarding pricing (past, present, or future), terms and conditions of business, contracts and bids, markets and territories, customers, costs, production and distribution
- Not enter into agreements that improperly restrain competition for labor
- Not disclose one bidder's confidential information to another bidder
- Remove ourselves from any conversation that could restrain trade or reduce competition, indicate our reason for doing so, and immediately report the matter to the Legal Department or the Compliance and Ethics Office
- Always remain aware of how conversations with peer utilities may be perceived, and avoid the appearance of misconduct

When dealing with customers, fair competition requires that we:

- Describe what we do and sell honestly and accurately
- Not make false claims or disparaging remarks about our competitors or their services
- Not interfere with a customer's existing business contracts to gain an unfair advantage

Promoting Fair Purchasing Practices

How We Live Our Values

We must select suppliers fairly and objectively to ensure the best value for Exelon while protecting our reputation and supporting the diverse communities we serve.

Why It's Important

Our suppliers often are an extension of Exelon. We count on them to help us deliver the best service for our customers. We work with a diverse group of suppliers who share our commitment to the highest standards in quality, price, service, reliability, availability, technical excellence, and delivery.

What's Expected

Those involved in purchasing and relationship management with suppliers have the responsibility to:

- Make procurement decisions with integrity, based on objective, fair and reasonable criteria
- Follow Exelon's third-party sourcing poli procedures and processes and properly document and seek approval for any exceptions
- Ensure we have appropriate justification any sole source procurement
- Avoid frequent or excessive business entertaining with any supplier
- Treat all suppliers professionally, ethicall and fairly – regardless of the value of the transaction or the length of the relations
- Conduct Exelon business in good faith ar resolve disputes with suppliers quickly a equitably
- Administer contracts to ensure Exelon receives the materials and/or services in compliance with the contract terms

For more information, see Corporate Procedure **SM-AC-POL1-001**, Exelon Spen and Authorization to Contract with Suppli Policy

Gathering Competitive Intelligence

As we evolve our business, we constantly monitor the competitive landscape and analyze industry trends. This allows us to anticipate and respond to customer demands for clean, affordable energy and the delivery of services. We gather competitive intelligence properly and legally, and do not solicit or accept other companies' trade secrets or other proprietary or confidential information.

Below is a list that includes some generally acceptable and generally unacceptable sources of competitive intelligence:

Generally Acceptable

- Public web sites and social media
- Newspapers and trade journals
- Public financial filings
- Publicly available industry analyst reports
- Marketing materials
- Third-party market research and analysis
- Governmental agency reports

Generally Unacceptable

- Emails intended for others
- Proposals
- Price sheets
- Process documents
- Business plans
- Found documents
- Non-public due diligence associated with M&A activity and other transactions
- Materials governed by a confidentiality agreement

If there is ever a doubt about how we are gathering competitive information, discuss it with your manager or contact the Legal Department for more guidance.

The Right Decisions

Q I work in project management. A supplier who is working on a current project asked me for some detailed information about a new project that just went out for bid. Wha should I do?

A While the supplier's intent may be innocent, informally providing any information about the new project might provide that firm with an advantage over other bidders. You should not provide any information about the new project, and should direct the supplier to the proper channel for obtaining information (in this case, the formal Request for Proposal information sharing protocols) and advise that they follow the process. Additionally, you should notify your manager, Compliance and Ethics, or the Legal Department that you received this request from the supplier.

Ensuring Appropriate Affiliate Interactions

How We Live Our Values

Federal and local laws and regulations require separation between utility transmission operations and affiliates that are not utilities.

Why It's Important

Regulatory authorities governing the energy industry established affiliate rules to safeguard the fair treatment of all utility rate payers. These rules guard against a number of unfair activities, such as inappropriately sharing information or allocating costs incurred by affiliates to a utility.

Where applicable, we must comply with all affiliate regulations, including:

- FERC Standards of Conduct
- Pennsylvania Code of Conduct
- Illinois Affiliate Non-Discrimination Rules
- New Jersey Affiliate Standards Rules
- Maryland Electric and Gas Companies – Affiliate Regulations
- Delaware Code of Conduct Governing Regulated Utility Activities and Competitive Activities
- District of Columbia Affiliate Code of Conduct

What's Expected

Appropriate affiliate interactions require that we must:

- Conduct utility transmission operations independently from any affiliates that are not utilities
- Not give non-public information about a utility's market or its transmission and distribution systems to any third parties on a preferential basis
- Properly charge or allocate costs between the regulated and other business functions of utilities and between utilities and their non-utility affiliates, as well as verifying that costs have been correctly allocated
- Not give preferential treatment regarding utility customer leads or transmission and distribution systems to any seller of electric energy, natural gas or energy services, whether an affiliate or competitor
- Not provide utility customer information to affiliates, unless we have the proper consent of the customer

Trading Energy Responsibly

How We Live Our Values

We conduct and report on our electric power and gas procurement activities in a transparent and ethical manner, complying fully with all applicable laws and regulations.

Why It's Important

The buying and selling of wholesale energy are governed by Federal Energy Regulatory Commission (FERC) rules and orders, while state laws, regulations and utility commission orders govern the provision of retail electric and gas service to customers. Ensuring the integrity of our energy procurement activities protects the company from violating these rules, helps to ensure such activities are conducted fairly by all participants in the marketplace and protects the company against cost disallowances.

What's Expected

Responsible energy procurement practices require that we must:

- Satisfy statutory and regulatory obligations to provide standard offer service (SOS), to function as the electric or gas service provider of last resort (POLR) or gas supplier of last resort (SOLR), to meet the needs of our customers
- Optimize energy procurements not utiliz meet POLR or SOLR responsibilities to b customers and shareholders, where appl
- Responsibly execute regulatorily-approv energy commodity supply programs for t benefit of customers and shareholders
- Follow statutory, FERC and state utility commission-sanctioned frameworks, anc structures that direct utilities on how to procure energy for retail end use custom
- Pursue transparent and reliable electric supply and gas supply in full compliance applicable statutory and regulatory man
- Prepare and maintain accurate documer of all energy procurement transactions consistent with applicable laws and regu

Protecting **Personal Information**

How We Live Our Values

We must value and preserve the trust that fellow employees, job applicants, customers, business partners and others place in us by safeguarding their personal information consistent with regulatory requirements.

What is considered personal information?

Personal information (sometimes known as personally identifiable information or PII) is information that can be used on its own or with other information to identify, contact or locate a single person, or to identify an individual in context. It can include names, Social Security numbers, financial account numbers, credit card numbers with security codes, medical records and other types of information that require protection due to regulations.

Why It's Important

To run our business effectively and comply with legal obligations, we gather, store, use and, when appropriate, share personal information, but we must always do so in a secure, confidential manner.

What's Expected

Protecting personal information requires that we must:

- Collect, use, and process personal information for legitimate business purposes only
- Restrict access to those who have both appropriate authorization and a clear business need to know
- Not share personal information with anyone (inside or outside the company) who does not have a clear business need for it
- Follow the company's information protection policies and procedures when handling personal information

For more information, see Corporate Procedure **LE-AC-31**, our Corporate Integrated Privacy Program.

Delivering on **Quality, Reliability and Customer Service**

How We Live Our Values

We satisfy our customers by providing reliable, clean, affordable energy and related products and services.

Why It's Important

Our customers are the heart of our business. Without them, we wouldn't exist. We must always treat them with courtesy and respect. We want them to value Exelon, and we will earn their loyalty if we understand – and even anticipate – their needs. By collaborating with each other to satisfy our customers' fundamental needs for high quality, reliable service with integrity, we will continue to earn their business.

What's Expected

To meet or exceed our customers' expectat we must:

- Listen carefully and quickly respond to customer inquiries and requests
- Act professionally, respectfully and with empathy
- Work safely, responsibly, and courteousl on the property of a customer or other t party
- Treat customers fairly and consistently
- Use fair and honest practices in advertisi marketing, sales, and customer service interactions
- Not bypass quality controls or take short that compromise the quality or safety of services

Government **Relations**

How We Live Our Values

We must interact with governments at all levels ethically and in full compliance with the law.

Why It's Important

Much of our business is regulated by federal, local, and state governments. Government entities also are important customers. How we interact with government officials is regulated by law and has a significant impact on our credibility, reputation, and success.

What's Expected

Those who interact with government agencies and officials, whether as regulators, customers or otherwise, have the responsibility to:

- Comply with all applicable laws, regulations, and company policies governing interactions with public officials. This includes but is not limited to laws and policies relating to lobbying, campaign contributions, gifts and entertainment, ex parte communications, bribery, and interactions with public officials
- Promptly report to your Government and External Affairs team or Compliance and Ethics any request, recommendation, or referral from a public official for anything of value, including but not limited to personnel actions, vendor contracts, directed charitable contributions.

For more details, employees should visit the **Interacting With Public Officials SharePoint** site, and third parties should visit this overview page on the **Exelon** web site.

- Ensure compliance with all applicable laws and regulations when a government entity is a customer, including government procurement and contracting regulations
- Provide timely, responsive, and accurate information in connection with any regulatory reporting requirements, information requests, or proceedings
- Cooperate fully and honestly with any government or law enforcement inquiry or investigation

Fighting **Bribery and Corruption**

How We Live Our Values

Our relationships with our customer business partners, and government officials depend on trust, transparen and accountability. We can only succ by acting with integrity and providin superior value. We must not request offer, or accept any form of payment or incentive intended to improperly influence a decision.

Why It's Important

Bribes and kickbacks of any kind are illegal, unethical, and violate our core values and the Code. Employees must abide by all applicable anti-corruption laws, including laws prohibiting offering and receiving bribes, kickbacks, and similar payments. These include laws from all jurisdictions in which the company operates, among them the Foreign Corrupt Practices Act and other federal, state, and foreign anti-corruption laws.

Exelon prohibits any employee, officer, director or third-party agent from providing, authorizing, offering, or promising to provide anything of value, directly or indirectly with the intent to improperly obtain a commercial advantage with respect to any third party.

The FCPA:

- Makes it a crime to promise or offer money or anything of value to a foreign government official to improperly influence an official decision for the purpose of obtaining or retaining business
- Requires that publicly held companies, like Exelon, have accounting controls to assure that all transactions are recorded fairly and accurately in our books and records

What's Expected

- Obtain guidance from the Compliance and Ethics Office and/or the relevant government and regulatory affairs team before offering or providing any gift, favor, or entertainment, or anything of value to any government official or employee of a state-owned entity
- Keep accurate and complete records so all payments are properly documented
- Ensure company funds are not used for unlawful purposes
- Conduct appropriate due diligence of potential lobbyists, agents, political consultants, and other business partners
- Do not use or allow a third party to make payments or offers that could be improper

For more information, see **LE-AC-60**, our Anti-Bribery and Anti-Corruption Corporate Policy, and **LE-AC-POL8-003**, our Policy on Vendors and Suppliers Affiliated With or Referred, Recommended or Requested by Public Officials.

Bribery and kickbacks can occur in the context of both government action and commercial relationships.

Government bribery

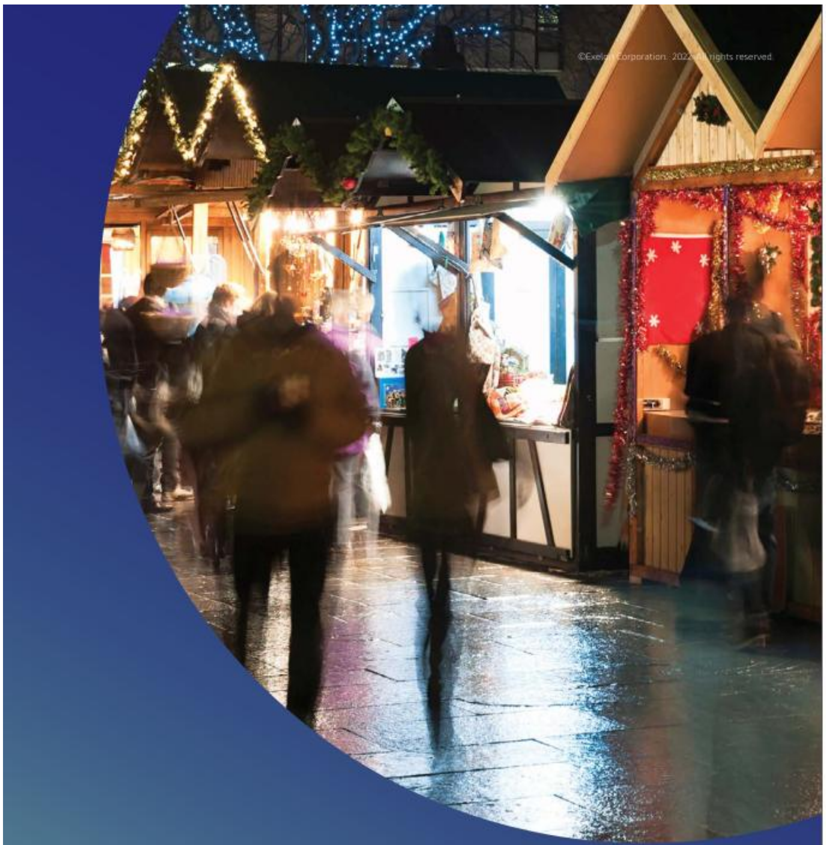
Can occur when an employee, officer, director, or someone acting on behalf of the company provides, authorizes, offers, or promises to provide something of value, directly or indirectly, to any government official, with the intent to improperly influence or reward any official action. Giving or promising cash, jobs, vendor contracts, or directed charitable contributions to a public official, or to persons designated by the public official, for the purpose of improperly influencing or rewarding official action could constitute bribery of a public official.

Commercial bribery

Occurs in the context of business transactio It can occur when a company employee, of or director solicits or accepts something of from a third party (for example, a kickback steering a contract to a vendor) in exchang or to influence, actions on behalf of Exelon. can occur when an Exelon employee, direc or third party intermediary provides, author offers, or promises to provide something of value to a third party with the intent to obt improper commercial advantage.

Bribes and kickbacks

Bribes and kickbacks of any kind are unethi illegal and violate our core values and the C



09 Our Communities

Protecting the Environment

How We Live Our Values

At Exelon, our commitment to the environment is integral to meeting c customers' expectations and reducin impact on future generations.

Our commitment to environmental stewardship stretches across the entire energy value chain. We proactively manage our environmental footprint, not only because we care about protecting the environment, but also to improve operational efficiency, maintain our license to operate and enhance our competitive position. As a result, we are able to better serve our customers, create value for our shareholders and employees, and enhance communities.

Christopher M. Crane

Why It's Important

Since its formation, Exelon has focused on the business value of reducing our impact on the environment and better meeting the needs of our customers, our employees, and the communities we serve. In all that we do, we seek to exceed the standards of our industry – as well as the standards we set for ourselves. We believe it's our responsibility to lead the industry in shaping public policy on strategic environmental issues.

Our values include the following environmental commitments:

- We will actively pursue excellence by reaching beyond compliance to reduce our impact on the environment, address climate change, improve energy and resource efficiency, and provide our customers with clean, safe, and affordable energy
- We will innovate to better serve our customers through smart meters, energy efficiency programs for homes and businesses, transportation electrification options, and other methods of enabling and delivering clean energy
- We will act with integrity and be accountable to our communities and the environment

We must ensure that our actions are consistent with environmental stewardship, and demonstrate environmental leadership through full legal compliance, pollution prevention and continuous improvement.

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What's Expected

We must:

- Meet or exceed all applicable environmental laws, regulations, and voluntary commitments
- Use natural resources efficiently to reduce environmental impacts and operating costs
- Partner with the communities where we operate to enhance the environment, combat climate change, and build resilience for the future
- Report any spills, releases or other environmental hazards or accidents to o supervisors immediately
- Not provide false information on any environmental monitoring or sampling r to government officials or the company

Contributing to **Our Communities**

How We Live Our Values

The energy we deliver to our customers is important, but so too is the human energy Exelon's people bring to the communities where we operate.

Why It's Important

Exelon has a strong tradition of community involvement. Through various Exelon programs, our employees are strong ambassadors for corporate giving and community service to improve the quality of life in our communities.

Our vision includes the following goals:

- Advance our strong tradition of community service by improving the quality of life of the people in the communities we serve and where we work
- Strengthen and enrich our communities through corporate giving in four areas – education, environment, neighborhood and workforce development, and arts and culture – and encourage our people to support the organizations that they value

What's Expected

We encourage employees to:

- Participate in Exelon's matching funds program for donations to charitable or civic organizations that enrich our communities
- Give time generously to our communities, so long as those activities don't interfere with our job performance

Employees must avoid inappropriately pressuring other employees or suppliers to contribute to charitable or civic organizations or causes.

Participating in **Political Activities**

How We Live Our Values

At Exelon, we are committed to enga
constructively with governments wh
we operate. Likewise, we encourage
employees to participate in the polit
process.

Why It's Important

Exelon believes that an active, inclusive, and fair political process promotes open government, sound policy decisions, and safe, healthy, and productive communities. We recognize that public policy decisions can greatly impact our customers, our business, and our industry, now and in the future.

As individuals, we all have a right to participate in civic activities and the political process. However, we always need to make it clear that our views and actions are our own – not those of Exelon.

What's Expected

Responsible company participation in political activities requires that we:

- Follow established procedures for making corporate contributions and conducting activities to support state or local candidates – see **LE-AC-23**, Corporate Political Contributions Guidelines
- Not coerce or pressure others to make contributions to any political candidate, party, advocacy group, political action committee, or political entity, or to support or oppose any political candidate or election. Exelon leaders may not solicit employees for political contributions other than (i) voluntary contributions to Exelon-affiliated political action committees; (ii) voluntary participation in events sponsored by the company or its affiliated political action committees, or (iii) participation by corporate officers pursuant to a corporate voluntary contributions program
- Obtain prior guidance from the Compliance and Ethics Office and/or the relevant government and regulatory affairs team before offering or providing any gift, entertainment or anything of value to any government official or employee of a state-owned entity.

When participating in political activities as individuals, we must:

- Make personal political contributions with the understanding that we will not be reimbursed by the company
- Understand that only where state law permits, minimal use of company resources – such as phones, computers, email, fax machines or office supplies – is allowed for personal political purposes (consult the Legal Department for additional guidance on this issue)
- Not require other employees, including administrative or other support staff, to perform tasks in support of our personal political activities
- Make it clear that our personal political views and actions are our own, and not those of the company

Lobbying

Exelon, like many other companies, advocates for legislation we believe will enhance value for our customers, communities, employees, and shareholders. Those of us who have contact with legislators, regulators, executive branch officials or their staffs may be involved in lobbying and must take care to comply with the laws applicable to these activities.

Only Exelon employees who have been app to lobby, and contract lobbyists retained an overseen pursuant to the company's Due Diligence and Monitoring Procedure for Thi Parties Engaged in Political Consulting and Lobbying Activities, **LE-AC-PCD8-001**, may e in lobbying activities.

Communicating Publicly **About Exelon**

How We Live Our Values

At Exelon, we must speak with one voice when communicating publicly to all audiences, including customers, investors, financial analysts, and the media.

Why It's Important

Our customers, consumers, investors, industry analysts, journalists, public interest groups and others deserve accurate, clear, complete, and consistent communications from Exelon. Because these interactions require careful consideration and an expert understanding of legal, regulatory, financial and media issues, only designated Exelon spokespersons are authorized speak on the company's behalf.

What's Expected

If you receive an inquiry from outside the company and are not authorized to respond on behalf of the company, you should:

- Refer all media-related inquiries to Exelon Corporate Communications
- Refer all investor-related inquiries to the Investor Relations Department

Engaging in Social Media Responsibly

Social media – networking sites, video/photo sharing, blogs, forums and others – are powerful forms of communication that are widely used by consumers, investors and other audiences to share opinions and seek information. Social media can be a great vehicle for communicating our passion and knowledge to our customers and the outside world.

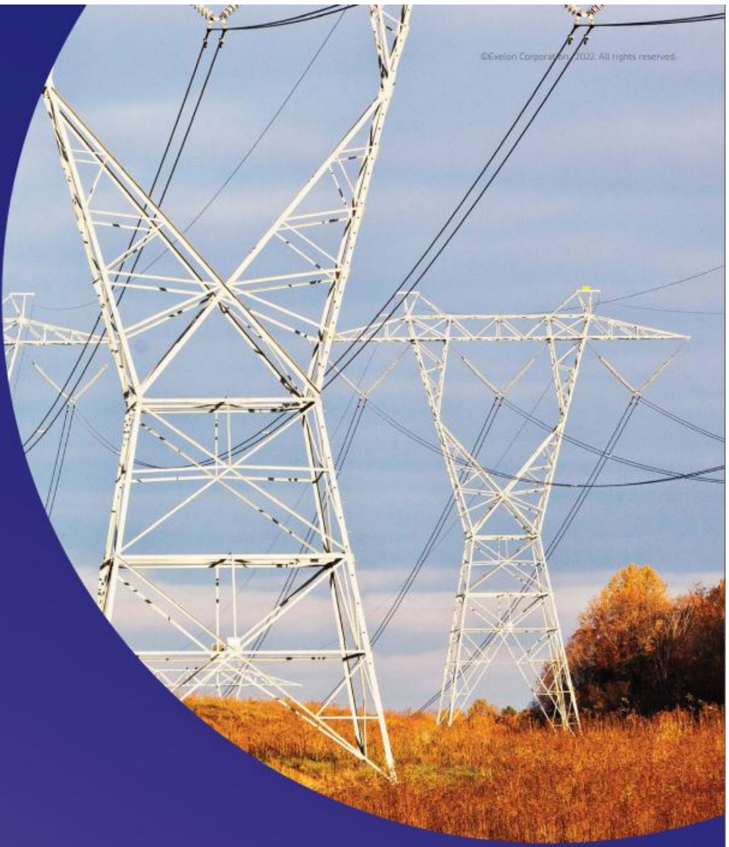
If we choose to use social media, we must keep in mind that what we say or share can affect:

- Our colleagues in the workplace
- Exelon's reputation with the customers and communities we serve
- Exelon's ability to compete in the marketplace
- Exelon's compliance with laws and regulations

Responsible use of social medi[a] includes:

- Adhering to Exelon's values in all authorized business communications
- Not creating the impression that our personal opinions are those of Exelon
- Not identifying ourselves as an Exelon representative without authorization
- Ensuring that time and effort spent on social media does not interfere with ou[r] job responsibilities
- Not disclosing proprietary company information
- Not divulging the personal information [of] others, especially personal data obtaine[d] as part of your job duties or our compa[ny] relationships

For more information see **CP-AC-72**, Corporate Guidelines - Social Media.



10 Conclusion

At Exelon, our values demand a commitment to ethical behavior that goes beyond the letter of the law, and includes respecting our diverse and inclus stakeholders, promoting a culture of safety, respect the environment, and avoiding any business activit that could tarnish the company's reputation. Living this commitment, living our values, is how we will achieve our vision.

Approved by the Exelon Board of Directors: Effective June 20, 2022

Compliance and Ethics Office
Directly: **EthicsOffice2@Exeloncorp.com**

Exelon Helpline
By phone:
1-800-23ETHIC
(1-800-233-8442)

Online:
https://secure.ethicspoint.com/domain/media/en/gui/71992/index.html

Security Incident?
Contact the ESOC for 24-hour assistance at:
1-800-550-6154

exelon℠

Exhibit 31-1

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Christopher M. Crane, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Exelon Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ CHRISTOPHER M. CRANE
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 3, 2022

Exhibit 31-2

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Joseph Nigro, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Exelon Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ JOSEPH NIGRO

Senior Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: August 3, 2022

Exhibit 31-3

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Gil C. Quiniones, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Commonwealth Edison Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ GIL C. QUINIONES

Chief Executive Officer
(Principal Executive Officer)

Date: August 3, 2022

Exhibit 31-4

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Elisabeth J. Graham, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Commonwealth Edison Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ ELISABETH J. GRAHAM
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

Date: August 3, 2022

Exhibit 31-5

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Michael A. Innocenzo, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PECO Energy Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ MICHAEL A. INNOCENZO
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 3, 2022

Exhibit 31-6

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Robert J. Stefani, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PECO Energy Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ ROBERT J. STEFANI

Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

Date: August 3, 2022

Exhibit 31-7

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Carim V. Khouzami, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Baltimore Gas and Electric Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ CARIM V. KHOUZAMI
Chief Executive Officer
(Principal Executive Officer)

Date: August 3, 2022

Exhibit 31-8

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, David M. Vahos, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Baltimore Gas and Electric Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ DAVID M. VAHOS

Senior Vice President, Chief Financial Officer
and Treasurer
(Principal Financial Officer)

Date: August 3, 2022

Exhibit 31-9

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, J. Tyler Anthony, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pepco Holdings LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ J. TYLER ANTHONY
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 3, 2022

Exhibit 31-10

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Phillip S. Barnett, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pepco Holdings LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ PHILLIP S. BARNETT

Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

Date: August 3, 2022

Exhibit 31-11

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, J. Tyler Anthony, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Potomac Electric Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ J. TYLER ANTHONY
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 3, 2022

Exhibit 31-12

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Phillip S. Barnett, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Potomac Electric Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ PHILLIP S. BARNETT

Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

Date: August 3, 2022

Exhibit 31-13

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, J. Tyler Anthony, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Delmarva Power & Light Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ J. TYLER ANTHONY
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 3, 2022

Exhibit 31-14

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Phillip S. Barnett, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Delmarva Power & Light Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ PHILLIP S. BARNETT
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

Date: August 3, 2022

Exhibit 31-15

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, J. Tyler Anthony, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Atlantic City Electric Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ J. TYLER ANTHONY
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 3, 2022

Exhibit 31-16

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Phillip S. Barnett, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Atlantic City Electric Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ PHILLIP S. BARNETT
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

Date: August 3, 2022

Exhibit 32-1

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the quarterly report on Form 10-Q of Exelon Corporation for the quarterly period ended June 30, 2022, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Exelon Corporation.

/s/ CHRISTOPHER M. CRANE

Christopher M. Crane
President and Chief Executive Officer

Date: August 3, 2022

Exhibit 32-2

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the quarterly report on Form 10-Q of Exelon Corporation for the quarterly period ended June 30, 2022, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Exelon Corporation.

/s/ JOSEPH NIGRO

Joseph Nigro
Senior Executive Vice President and Chief Financial Officer

Date: August 3, 2022

Exhibit 32-3

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the quarterly report on Form 10-Q of Commonwealth Edison Company for the quarterly period ended June 30, 2022, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Commonwealth Edison Company.

/s/ GIL C. QUINIONES

Gil C. Quiniones
Chief Executive Officer

Date: August 3, 2022

Exhibit 32-4

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the quarterly report on Form 10-Q of Commonwealth Edison Company for the quarterly period ended June 30, 2022, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Commonwealth Edison Company.

/s/ ELISABETH J. GRAHAM

Elisabeth J. Graham
Senior Vice President, Chief Financial Officer and Treasurer

Date: August 3, 2022

Exhibit 32-5

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the quarterly report on Form 10-Q of PECO Energy Company for the quarterly period ended June 30, 2022, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of PECO Energy Company.

/s/ MICHAEL A. INNOCENZO

Michael A. Innocenzo
President and Chief Executive Officer

Date: August 3, 2022

Exhibit 32-6

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the quarterly report on Form 10-Q of PECO Energy Company for the quarterly period ended June 30, 2022, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of PECO Energy Company.

/s/ ROBERT J. STEFANI
Robert J. Stefani
Senior Vice President, Chief Financial Officer and Treasurer

Date: August 3, 2022

Exhibit 32-7

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the quarterly report on Form 10-Q of Baltimore Gas and Electric Company for the quarterly period ended June 30, 2022, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Baltimore Gas and Electric Company.

/s/ CARIM V. KHOUZAMI
Carim V. Khouzami
Chief Executive Officer

Date: August 3, 2022

Exhibit 32-8

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the quarterly report on Form 10-Q of Baltimore Gas and Electric Company for the quarterly period ended June 30, 2022, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Baltimore Gas and Electric Company.

/s/ DAVID M. VAHOS

David M. Vahos
Senior Vice President, Chief Financial Officer and Treasurer

Date: August 3, 2022

Exhibit 32-9

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the quarterly report on Form 10-Q of Pepco Holdings LLC for the quarterly period ended June 30, 2022, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Pepco Holdings LLC.

/s/ J. TYLER ANTHONY
J. Tyler Anthony
President and Chief Executive Officer

Date: August 3, 2022

Exhibit 32-10

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the quarterly report on Form 10-Q of Pepco Holdings LLC for the quarterly period ended June 30, 2022, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Pepco Holdings LLC.

/s/ PHILLIP S. BARNETT

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

Date: August 3, 2022

Exhibit 32-11

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the quarterly report on Form 10-Q of Potomac Electric Power Company for the quarterly period ended June 30, 2022, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Potomac Electric Power Company.

/s/ J. TYLER ANTHONY

J. Tyler Anthony

President and Chief Executive Officer

Date: August 3, 2022

Exhibit 32-12

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the quarterly report on Form 10-Q of Potomac Electric Power Company for the quarterly period ended June 30, 2022, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Potomac Electric Power Company.

/s/ PHILLIP S. BARNETT
Phillip S. Barnett
Senior Vice President, Chief Financial Officer and Treasurer

Date: August 3, 2022

Exhibit 32-13

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the quarterly report on Form 10-Q of Delmarva Power & Light Company for the quarterly period ended June 30, 2022, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Delmarva Power & Light Company.

/s/ J. TYLER ANTHONY
J. Tyler Anthony
President and Chief Executive Officer

Date: August 3, 2022

Exhibit 32-14

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the quarterly report on Form 10-Q of Delmarva Power & Light Company for the quarterly period ended June 30, 2022, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Delmarva Power & Light Company.

/s/ PHILLIP S. BARNETT
Phillip S. Barnett
Senior Vice President, Chief Financial Officer and Treasurer

Date: August 3, 2022

Exhibit 32-15

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the quarterly report on Form 10-Q of Atlantic City Electric Company for the quarterly period ended June 30, 2022, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Atlantic City Electric Company.

/s/ J. TYLER ANTHONY
J. Tyler Anthony
President and Chief Executive Officer

Date: August 3, 2022

Exhibit 32-16

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the quarterly report on Form 10-Q of Atlantic City Electric Company for the quarterly period ended June 30, 2022, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Atlantic City Electric Company.

/s/ PHILLIP S. BARNETT
Phillip S. Barnett
Senior Vice President, Chief Financial Officer and Treasurer

Date: August 3, 2022