

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K

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

**July 31, 2014
Date of Report (Date of earliest event reported)**

<u>Commission File Number</u>	<u>Exact Name of Registrant as Specified in Its Charter; State of Incorporation; Address of Principal Executive Offices; and Telephone Number</u>	<u>IRS Employer Identification Number</u>
1-16169	EXELON CORPORATION (a Pennsylvania corporation) 10 South Dearborn Street P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-7398	23-2990190
333-85496	EXELON GENERATION COMPANY, LLC (a Pennsylvania limited liability company) 300 Exelon Way Kennett Square, Pennsylvania 19348-2473 (610) 765-5959	23-3064219
1-1839	COMMONWEALTH EDISON COMPANY (an Illinois corporation) 440 South LaSalle Street Chicago, Illinois 60605-1028 (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
1-1910	BALTIMORE GAS AND ELECTRIC COMPANY (a Maryland corporation) 2 Center Plaza 110 West Fayette Street Baltimore, Maryland 21201 (410) 234-5000	52-0280210

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

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

Section 2 – Financial Information

Item 2.02. Results of Operations and Financial Condition.

Section 7 – Regulation FD

Item 7.01. Regulation FD Disclosure.

On July 31, 2014, Exelon Corporation (Exelon) announced via press release its results for the second quarter ended June 30, 2014. A copy of the press release and related attachments is attached hereto as Exhibit 99.1. Also attached as Exhibit 99.2 to this Current Report on Form 8-K are the presentation slides to be used at the second quarter 2014 earnings conference call. This Form 8-K and the attached exhibits are provided under Items 2.02, 7.01 and 9.01 of Form 8-K and are furnished to, but not filed with, the Securities and Exchange Commission.

Exelon has scheduled the conference call for 11:00 AM ET (10:00 AM CT) on July 31, 2014. The call-in number in the U.S. and Canada is 800-690-3108, and the international call-in number is 973-935-8753. If requested, the conference ID number is 30841403. Media representatives are invited to participate on a listen-only basis. The call will be web-cast and archived on Exelon's Web site: www.exeloncorp.com. (Please select the Investors page.)

Telephone replays will be available until July 15, 2014. The U.S. and Canada call-in number for replays is 800-585-8367, and the international call-in number is 404-537-3406. The conference ID number is 33703408.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release and earnings release attachments
99.2	Earnings conference call presentation slides

* * * * *

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

This Current Report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from these forward-looking statements include those discussed herein as well as those discussed in (1) Exelon's 2013 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 22; (2) Exelon's Second Quarter 2014 Quarterly Report on Form 10-Q (to be filed on July 31, 2014) in (a) Part II, Other Information, ITEM 1A. Risk Factors; (b) Part 1, Financial Information, ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, Financial Information, ITEM 1. Financial Statements: Note 18; and (3) other factors discussed in filings with the Securities and Exchange Commission by the Registrants. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Current 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 Current Report.

SIGNATURES

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

EXELON CORPORATION

/s/ Jonathan W. Thayer

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

EXELON GENERATION COMPANY, LLC

/s/ Bryan P. Wright

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

COMMONWEALTH EDISON COMPANY

/s/ Joseph R. Trpik, Jr.

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

PECO ENERGY COMPANY

/s/ Phillip S. Barnett

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

BALTIMORE GAS AND ELECTRIC COMPANY

/s/ David M. Vahos

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

July 31, 2014

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release and earnings release attachments
99.2	Earnings conference call presentation slides



Contact: Ravi Ganti
Investor Relations
312-394-2345

Paul Adams
Corporate Communications
410-470-4167

EXELON ANNOUNCES SECOND QUARTER 2014 RESULTS

CHICAGO (Jul. 31, 2014) — Exelon Corporation (NYSE: EXC) announced second quarter 2014 consolidated earnings as follows:

	Second Quarter	
	<u>2014</u>	<u>2013</u>
Adjusted (non-GAAP) Operating Results:		
Net Income (\$ millions)	\$ 440	\$ 454
Diluted Earnings per Share	\$0.51	\$0.53
GAAP Results:		
Net Income (\$ millions)	\$ 522	\$ 490
Diluted Earnings per Share	\$0.60	\$0.57

“Exelon achieved earnings above our guidance range this quarter, and all of our businesses continued to deliver strong operating performance,” said Christopher M. Crane, Exelon’s president and CEO. “With our year to date results, we are on track to meet our full-year financial targets and finish 2014 within our guidance range.”

Second Quarter Operating Results

As shown in the table above, Exelon’s adjusted (non-GAAP) operating earnings decreased to \$0.51 per share in the second quarter of 2014 from \$0.53 per share in the second quarter of 2013. Earnings in the second quarter of 2014 primarily reflected the following negative factors:

- Lower realized energy prices;
- Decreased nuclear and fossil output during 2014 primarily due to outage days; and
- Higher operating and maintenance (O&M) expenses reflecting increased nuclear generating outage days and inflation across all operating companies, offset in part by reduced other postretirement benefit costs.

These factors were offset by:

- Increased capacity pricing related to the Reliability Pricing Model (RPM) for the PJM Interconnection, LLC (PJM) market;
- Increased distribution revenue at BGE, due to the December 2013 rate case order for electric and natural gas, and higher distribution earnings at ComEd due to increased capital investment; and
- Decreased income tax expense as a result of an increase in Generation's domestic production activities deduction and PECO's electric tax repairs deduction.

Adjusted (non-GAAP) Operating Earnings for the second quarter of 2014 do not include the following items (after tax) that were included in reported GAAP earnings:

	(in millions)	(per diluted share)
Exelon Adjusted (non-GAAP) Operating Earnings	\$ 440	\$ 0.51
Mark-to-Market Impact of Economic Hedging Activities	(8)	(0.01)
Unrealized Gains Related to Nuclear Decommissioning Trust (NDT) Fund Investments	76	0.09
Merger and Integration Costs	(19)	(0.02)
PHI Acquisition Costs	(12)	(0.01)
Amortization of Commodity Contract Intangibles	(23)	(0.03)
Long-Lived Asset Impairment	(68)	(0.08)
Gain on CENG Integration	159	0.18
Non-Controlling Interest	(23)	(0.03)
Exelon GAAP Net Income	\$ 522	\$ 0.60

Adjusted (non-GAAP) Operating Earnings for the second quarter of 2013 do not include the following items (after tax) that were included in reported GAAP earnings:

	(in millions)	(per diluted share)
Exelon Adjusted (non-GAAP) Operating Earnings	\$ 454	\$ 0.53
Mark-to-Market Impact of Economic Hedging Activities	253	0.30
Unrealized Losses Related to NDT Fund Investments	(22)	(0.03)
Constellation Merger and Integration Costs	(15)	(0.02)
Amortization of Commodity Contract Intangibles	(115)	(0.13)
Amortization of the Fair Value of Certain Debt	4	—
Long-Lived Asset Impairment	(69)	(0.08)
Exelon GAAP Net Income	\$ 490	\$ 0.57

Second Quarter and Recent Highlights

- **Proposed Merger with Pepco Holdings, Inc.:** On April 29, 2014, Exelon and Pepco Holdings, Inc. (PHI) signed an agreement and plan of merger to combine the two companies in an all-cash transaction. The transaction, which is subject to customary closing conditions and regulatory approvals, is expected to be completed in the second or third quarter of 2015.
- **Integration of Constellation Energy Nuclear Group, LLC:** On April 1, 2014, Generation and subsidiaries and Constellation Energy Nuclear Group, LLC (CENG) entered into a Nuclear Operating Services Agreement (NOSA) pursuant to which Generation will operate the CENG nuclear generation fleet owned by CENG subsidiaries and provide corporate and administrative services for the remaining life of the CENG nuclear plants as if they were a part of the Generation nuclear fleet. The execution of the NOSA requires Exelon to fully consolidate CENG into Exelon's financial statements. Upon consolidation, Exelon recorded a pre-tax net gain on integration of CENG of \$261 million, which is excluded from second quarter operating earnings.
- **Nuclear Operations:** Generation's nuclear fleet, including its owned output from the Salem Generating Station and beginning April 1, 2014, 100 percent of the CENG units, produced 41,397 gigawatt-hours (GWh), of which 7,546 GWh were produced by CENG, in the second quarter of 2014, compared with 34,601 GWh in the second quarter of 2013. Excluding Salem, the Exelon-operated nuclear plants at ownership achieved a 91.8 percent capacity factor for the second quarter of 2014, compared with 92.8 percent for the second quarter of 2013. The number of planned refueling outage days totaled 108, including 52 CENG planned outage days, in the second quarter of 2014, compared with 47 in the second quarter of 2013. There were 44 non-refueling outage days, including three CENG non-refueling outage days, in the second quarter of 2014, compared with 31 days in the second quarter of 2013.
- **Fossil and Renewables Operations:** The Dispatch Match rate for Generation's gas/hydro fleet was 99.2 percent in the second quarter of 2014, compared with 99.1 percent in the second quarter of 2013. Energy Capture for the wind/solar fleet was 94.7 percent in the second quarter of 2014, compared with 92.4 percent in the second quarter of 2013. Energy Capture in the second quarter of 2014 reflects increased turbine availability. Construction of two 60.0 megawatt (MW) units at the Perryman Generating station in Hartford County, Md., began on July 1, with commercial operation scheduled to begin in 2015.
- **Renewables Projects:** The 50.4 MW Beebe 1B project in Gratiot, Mich., and 40.0 MW Fourmile Ridge project in Garrett County, Md., both began construction in the second quarter of 2014, with commercial operation expected by the fourth quarter. The remaining two blocks of the 230 MW Antelope Valley Solar Ranch project in California, Block 1 (28 MW) and Block 2 (20 MW) were officially turned over to Exelon on June 19, 2014.
- **Spent Nuclear Fuel Obligation:** In May 2014, the Department of Energy notified Generation that the spent nuclear fuel (SNF) disposal fee would be set to zero effective

May 16, 2014. Through the effective date of the fee reduction, Generation incurred SNF disposal fees of \$49 million, which includes Generation's share of Salem and net of co-owner reimbursements (not including such fees incurred by CENG). Until a new fee structure is in effect, Generation will not accrue any further costs related to this fee.

- **BGE Gas and Electric Distribution Rate Case:** On July 2, 2014, BGE filed an application with the Maryland Public Service Commission (MDPSC) for increases of \$118 million and \$68 million to its electric and gas base rates, respectively. The requested rates of return on equity in the application were 10.65 percent for electric and 10.55 percent for gas. The MDPSC will determine any increase in rates after a proceeding with input from all interested parties. The new electric and gas distribution base rates are expected to take effect in late January 2015.
- **Financing Activities:**
 - In April 2014, concurrently and in connection with entering into the agreement to acquire PHI, Exelon entered into a credit facility to which the lenders committed to provide Exelon a 364-day senior unsecured bridge credit facility of \$7.2 billion to support the contemplated transaction and provide flexibility for timing of permanent financing. The bridge credit facility was subsequently reduced to \$4.2 billion as a result of the June 2014 equity issuances.
 - On June 11, 2014, Exelon executed a \$2.0 billion equity offering of 57.5 million shares of common stock in connection with forward sales agreements and \$1.2 billion of junior subordinated notes in the form of 23 million equity units.
- **Hedging Update:** Exelon's hedging program involves the hedging of commodity risk for Exelon's expected generation, typically on a ratable basis over a three-year period. Expected generation represents the amount of energy estimated to be generated or purchased through owned or contracted-for capacity. The proportion of expected generation hedged as of June 30, 2014, was 92 percent to 95 percent for 2014, 75 percent to 78 percent for 2015, and 46 percent to 49 percent for 2016. The primary objective of Exelon's hedging program is to manage market risks and protect the value of its generation and its investment-grade balance sheet, while preserving its ability to participate in improving long-term market fundamentals.

Operating Company Results

Generation consists of owned and contracted electric generating facilities and wholesale and retail customer supply of electric and natural gas products and services, including renewable energy products, risk management services and natural gas exploration and production activities. Beginning April 1, 2014, 100 percent of CENG's operations are included in Generation's results in connection with the NOSA referenced in the Second Quarter and Recent Highlights.

The second quarter 2014 GAAP net income was \$340 million, compared with a net income of \$330 million in the second quarter of 2013. Adjusted (non-GAAP) operating earnings for the second quarter of 2014 and 2013 do not include various items (after tax) that were included in reported GAAP earnings. A reconciliation of Adjusted (non-GAAP) Operating Earnings to GAAP Net Income is in the table below:

(\$ millions)	2Q14	2Q13
Generation Adjusted (non-GAAP) Operating Earnings	\$231	\$ 273
Mark-to-Market Impact of Economic Hedging Activities	(8)	263
Net Unrealized Gains (Losses) Related to NDT Fund Investments	76	(22)
Merger and Integration Costs	(19)	(12)
Amortization of Commodity Contract Intangibles	(23)	(115)
Amortization of Fair Value of Certain Debt	—	4
Long-Lived Asset Impairment	(53)	(61)
Gain on CENG Integration	159	—
Non-Controlling Interest	(23)	—
Generation GAAP Net Income	\$340	\$ 330

Generation's Adjusted (non-GAAP) Operating Earnings in the second quarter of 2014 decreased \$42 million compared with the same quarter in 2013. This decrease primarily reflected:

- Lower realized energy prices;
- Higher O&M expenses reflecting increased nuclear generating outage days and inflation, offset in part by reduced OPEB costs; and
- Decreased nuclear and fossil output during 2014, primarily due to outage days.

These items were partially offset by favorable capacity pricing related to RPM for the PJM market.

ComEd consists of electricity transmission and distribution operations in Northern Illinois. ComEd recorded GAAP net income of \$111 million in the second quarter of 2014, compared with net income of \$96 million in the second quarter of 2013.

ComEd's Adjusted (non-GAAP) Operating Earnings in the second quarter of 2014 were up \$15 million from the same quarter in 2013, primarily reflecting higher distribution formula rate earnings due to increased capital investment.

For the second quarter of 2014, heating degree-days in the ComEd service territory were down 10.7 percent relative to the same period in 2013 and were 9.2 percent below normal. Meanwhile, cooling degree days were up 7.9 percent relative to the same period in 2013 and were 18.8 percent above normal. Total retail electric deliveries increased 0.4 percent in the second quarter of 2014 compared with the same period in 2013.

Weather-normalized retail electric deliveries remained flat in the second quarter of 2014 relative to 2013.

PECO consists of electricity transmission and distribution operations and retail natural gas distribution operations in Southeastern Pennsylvania.

PECO's GAAP net income in the second quarter of 2014 was \$84 million, compared with \$72 million in the second quarter of 2013. Adjusted (non-GAAP) Operating Earnings for the second quarter of 2013 do not include various items (after tax) that were included in reported GAAP earnings. A reconciliation of Adjusted (non-GAAP) Operating Earnings to GAAP Net Income is in the table below:

(\$ millions)	2Q14	2Q13
PECO Adjusted (non-GAAP) Operating Earnings	\$ 84	\$ 74
Merger and Integration Costs	—	(2)
PECO GAAP Net Income	\$ 84	\$ 72

PECO's Adjusted (non-GAAP) Operating Earnings in the second quarter of 2014 increased \$10 million from the same quarter in 2013, primarily due to a decreased income tax expense as a result of an increase in the electric tax repairs deduction.

For the second quarter of 2014, heating degree-days in the PECO service territory were down 6.7 percent relative to the same period in 2013 and were 15.1 percent below normal. Cooling degree-days were down 10.3 percent from prior year, but were 7.8 percent above normal. Total retail electric deliveries were down 1.8 percent compared with the second quarter of 2013. Natural gas deliveries (including both retail and transportation segments) in the second quarter of 2014 were up 4.3 percent compared with the second quarter of 2013.

Weather-normalized retail electric deliveries and gas deliveries increased 0.2 percent and 1.4 percent in the second quarter of 2014 relative to 2013, respectively. The variances are driven primarily by economic and customer growth (mainly in the residential classes), partially offset by energy efficiency and higher gas rates, respectively.

BGE consists of electricity transmission and distribution operations and retail natural gas distribution operations in Central Maryland.

BGE's GAAP net income in the second quarter of 2014 was \$16 million, compared with \$22 million in the second quarter of 2013. Adjusted (non-GAAP) Operating Earnings for the second quarter of 2013 do not include various items (after tax) that were included in reported GAAP earnings. A reconciliation of Adjusted (non-GAAP) Operating Earnings to GAAP Net Income is in the table below:

(\$ millions)	2Q14	2Q13
BGE Adjusted (non-GAAP) Operating Earnings	\$ 16	\$ 23
Merger and Integration Costs	—	(1)
BGE GAAP Net Income	\$ 16	\$ 22

BGE's Adjusted (non-GAAP) Operating Earnings in the second quarter of 2014 decreased \$7 million from the same quarter in 2013, primarily due to increased operating and maintenance expense, partially offset by increased revenue as a result of the December 2013 electric and gas distribution rate order issued by the MDPSC. Due to revenue decoupling, BGE is not affected by actual weather with the exception of major storms.

Adjusted (non-GAAP) Operating Earnings

Adjusted (non-GAAP) operating earnings, which generally exclude significant one-time charges or credits that are not normally associated with ongoing operations, mark-to-market adjustments from economic hedging activities and unrealized gains and losses from NDT fund investments, are provided as a supplement to results reported in accordance with GAAP. Management uses such adjusted (non-GAAP) operating earnings measures internally to evaluate the company's performance and manage its operations. Reconciliation of GAAP to adjusted (non-GAAP) operating earnings for historical periods is attached. Additional earnings release attachments, which include the reconciliation on page 8 are posted on Exelon's Web site: www.exeloncorp.com and have been furnished to the Securities and Exchange Commission on Form 8-K on July 31, 2014.

Cautionary Statements Regarding Forward-Looking Information

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from the forward-looking statements made by Exelon Corporation, Commonwealth Edison Company, PECO Energy Company, Baltimore Gas and Electric Company and Exelon Generation Company, LLC (Registrants) include those factors discussed herein, as well as the items discussed in (1) Exelon's 2013 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 22; (2) Exelon's Second Quarter 2014 Quarterly Report on Form 10-Q (to be filed on July 31, 2014) in (a) Part II, Other Information, ITEM 1A. Risk Factors; (b) Part 1, Financial Information, ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, Financial Information, ITEM 1. Financial Statements: Note 18; and (3) other factors discussed in filings with the SEC by the Registrants. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this press release. None of the Registrants undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this press release.

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Exelon Corporation (NYSE: EXC) is the nation's leading competitive energy provider, with 2013 revenues of approximately \$24.9 billion. Headquartered in Chicago, Exelon has does business in 48 states, the District of Columbia and Canada. Exelon is one of the largest competitive U.S. power generators, with more than 35,000 megawatts of owned capacity comprising one of the nation's cleanest and lowest-cost power generation fleets. The company's Constellation business unit provides energy products and services to approximately 100,000 business and public sector customers and approximately 1 million residential customers. Exelon's utilities deliver electricity and natural gas to more than 7.8 million customers in Central Maryland (BGE), Northern Illinois (ComEd) and Southeastern Pennsylvania (PECO).

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

	Three Months Ended June 30, 2014 (a)					Exelon Consolidated
	Generation	ComEd	PECO	BGE	Other (b)	
Operating revenues	\$ 3,789	\$1,128	\$ 656	\$653	\$ (202)	\$ 6,024
Operating expenses						
Purchased power and fuel	1,835	269	241	268	(201)	2,412
Operating and maintenance	1,413	355	184	188	26	2,166
Depreciation and amortization	254	174	59	89	14	590
Taxes other than income	118	72	38	53	7	288
Total operating expenses	<u>3,620</u>	<u>870</u>	<u>522</u>	<u>598</u>	<u>(154)</u>	<u>5,456</u>
Equity in losses of unconsolidated affiliates	(1)	—	—	—	1	—
Gain on consolidation of CENG	261	—	—	—	—	261
Operating income (loss)	<u>429</u>	<u>258</u>	<u>134</u>	<u>55</u>	<u>(47)</u>	<u>829</u>
Other income and (deductions)						
Interest expense	(86)	(80)	(28)	(27)	(17)	(238)
Other, net	228	5	1	5	4	243
Total other income and (deductions)	<u>142</u>	<u>(75)</u>	<u>(27)</u>	<u>(22)</u>	<u>(13)</u>	<u>5</u>
Income (loss) before income taxes	571	183	107	33	(60)	834
Income taxes	199	72	23	14	(31)	277
Net income (loss)	372	111	84	19	(29)	557
Net income attributable to noncontrolling interests and preference stock dividends	32	—	—	3	—	35
Net income (loss) attributable to common shareholders	<u>\$ 340</u>	<u>\$ 111</u>	<u>\$ 84</u>	<u>\$ 16</u>	<u>\$ (29)</u>	<u>\$ 522</u>
	Three Months Ended June 30, 2013					
	Generation	ComEd	PECO	BGE	Other (b)	Exelon Consolidated
Operating revenues	\$ 4,070	\$1,080	\$ 672	\$653	\$ (334)	\$ 6,141
Operating expenses						
Purchased power and fuel	1,946	248	258	288	(321)	2,419
Operating and maintenance	1,189	359	181	160	3	1,892
Depreciation and amortization	210	170	56	82	15	533
Taxes other than income	101	71	39	54	6	271
Total operating expenses	<u>3,446</u>	<u>848</u>	<u>534</u>	<u>584</u>	<u>(297)</u>	<u>5,115</u>
Equity in losses of unconsolidated affiliates	(21)	—	—	—	—	(21)
Operating income (loss)	<u>603</u>	<u>232</u>	<u>138</u>	<u>69</u>	<u>(37)</u>	<u>1,005</u>
Other income and (deductions)						
Interest expense	(93)	(76)	(28)	(32)	(23)	(252)
Other, net	(33)	6	—	4	6	(17)
Total other income and (deductions)	<u>(126)</u>	<u>(70)</u>	<u>(28)</u>	<u>(28)</u>	<u>(17)</u>	<u>(269)</u>
Income (loss) before income taxes	477	162	110	41	(54)	736
Income taxes	149	66	32	16	(24)	239
Net income (loss)	328	96	78	25	(30)	497
Net income attributable to noncontrolling interests, preferred security dividends and preference stock dividends	(2)	—	6	3	—	7
Net income (loss) attributable to common shareholders	<u>\$ 330</u>	<u>\$ 96</u>	<u>\$ 72</u>	<u>\$ 22</u>	<u>\$ (30)</u>	<u>\$ 490</u>

- (a) Includes the results of operations of Constellation Energy Nuclear Group, LLC beginning on April 1, 2014, the date the nuclear operating services agreement was executed.
(b) Other primarily includes eliminating and consolidating adjustments, Exelon's corporate operations, shared service entities and other financing and investment activities.

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

	Six Months Ended June 30, 2014 (a)					Exelon Consolidated
	Generation	ComEd	PECO	BGE	Other (b)	
Operating revenues	\$ 8,179	\$ 2,262	\$ 1,649	\$ 1,707	\$ (536)	\$ 13,261
Operating expenses						
Purchased power and fuel	5,191	589	705	797	(530)	6,752
Operating and maintenance	2,499	681	464	376	4	4,024
Depreciation and amortization	466	347	117	197	27	1,154
Taxes other than income	223	149	80	113	15	580
Total operating expenses	<u>8,379</u>	<u>1,766</u>	<u>1,366</u>	<u>1,483</u>	<u>(484)</u>	<u>12,510</u>
Equity in losses of unconsolidated affiliates	(20)	—	—	—	—	(20)
Gain on consolidation of CENG	261	—	—	—	—	261
Operating income (loss)	<u>41</u>	<u>496</u>	<u>283</u>	<u>224</u>	<u>(52)</u>	<u>992</u>
Other income and (deductions)						
Interest expense	(172)	(160)	(56)	(55)	(22)	(465)
Other, net	318	10	3	9	8	348
Total other income and (deductions)	<u>146</u>	<u>(150)</u>	<u>(53)</u>	<u>(46)</u>	<u>(14)</u>	<u>(117)</u>
Income (loss) before income taxes	187	346	230	178	(66)	875
Income taxes	(1)	137	57	72	(41)	224
Net income (loss)	188	209	173	106	(25)	651
Net income attributable to noncontrolling interests, preferred security dividends and redemption and preference stock dividends	33	—	—	6	—	39
Net income (loss) attributable to common shareholders	<u>\$ 155</u>	<u>\$ 209</u>	<u>\$ 173</u>	<u>\$ 100</u>	<u>\$ (25)</u>	<u>\$ 612</u>
	Six Months Ended June 30, 2013					
	Generation	ComEd	PECO	BGE	Other (b)	Exelon Consolidated
Operating revenues	\$ 7,603	\$ 2,239	\$ 1,567	\$ 1,533	\$ (719)	\$ 12,223
Operating expenses						
Purchased power and fuel	4,114	630	664	713	(721)	5,400
Operating and maintenance	2,302	687	369	303	(5)	3,656
Depreciation and amortization	424	337	113	175	27	1,076
Taxes other than income	194	145	80	109	20	548
Total operating expenses	<u>7,034</u>	<u>1,799</u>	<u>1,226</u>	<u>1,300</u>	<u>(679)</u>	<u>10,680</u>
Equity in losses of unconsolidated affiliates	(30)	—	—	—	—	(30)
Operating income (loss)	<u>539</u>	<u>440</u>	<u>341</u>	<u>233</u>	<u>(40)</u>	<u>1,513</u>
Other income and (deductions)						
Interest expense	(176)	(429)	(57)	(66)	(148)	(876)
Other, net	95	11	3	9	37	155
Total other income and (deductions)	<u>(81)</u>	<u>(418)</u>	<u>(54)</u>	<u>(57)</u>	<u>(111)</u>	<u>(721)</u>
Income (loss) before income taxes	458	22	287	176	(151)	792
Income taxes	148	8	87	70	(19)	294
Net income (loss)	310	14	200	106	(132)	498
Net income (loss) attributable to noncontrolling interests, preferred security dividends and preference stock dividends	(1)	—	7	6	—	12
Net income (loss) attributable to common shareholders	<u>\$ 311</u>	<u>\$ 14</u>	<u>\$ 193</u>	<u>\$ 100</u>	<u>\$ (132)</u>	<u>\$ 486</u>

- (a) Includes the results of operations of Constellation Energy Nuclear Group, LLC beginning on April 1, 2014, the date the nuclear operating services agreement was executed.
- (b) Other primarily includes eliminating and consolidating adjustments, Exelon's corporate operations, shared service entities and other financing and investment activities.

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

Generation

	<u>Three Months Ended June 30,</u>			<u>Six Months Ended June 30,</u>		
	<u>2014 (a)</u>	<u>2013</u>	<u>Variance</u>	<u>2014 (a)</u>	<u>2013</u>	<u>Variance</u>
Operating revenues	\$3,789	\$4,070	\$ (281)	\$8,179	\$7,603	\$ 576
Operating expenses						
Purchased power and fuel	1,835	1,946	(111)	5,191	4,114	1,077
Operating and maintenance	1,413	1,189	224	2,499	2,302	197
Depreciation and amortization	254	210	44	466	424	42
Taxes other than income	118	101	17	223	194	29
Total operating expenses	<u>3,620</u>	<u>3,446</u>	<u>174</u>	<u>8,379</u>	<u>7,034</u>	<u>1,345</u>
Equity in losses of unconsolidated affiliates	(1)	(21)	20	(20)	(30)	10
Gain on consolidation of CENG	261	—	261	261	—	261
Operating income	<u>429</u>	<u>603</u>	<u>(174)</u>	<u>41</u>	<u>539</u>	<u>(498)</u>
Other income and (deductions)						
Interest expense	(86)	(93)	7	(172)	(176)	4
Other, net	228	(33)	261	318	95	223
Total other income and (deductions)	<u>142</u>	<u>(126)</u>	<u>268</u>	<u>146</u>	<u>(81)</u>	<u>(271)</u>
Income before income taxes	571	477	94	187	458	271
Income taxes	199	149	50	(1)	148	(149)
Net income	<u>372</u>	<u>328</u>	<u>44</u>	<u>188</u>	<u>310</u>	<u>(122)</u>
Net income (loss) attributable to noncontrolling interests and preference stock dividends	32	(2)	34	33	(1)	34
Net income attributable to membership interest	<u>\$ 340</u>	<u>\$ 330</u>	<u>\$ 10</u>	<u>\$ 155</u>	<u>\$ 311</u>	<u>\$ (156)</u>

ComEd

	<u>Three Months Ended June 30,</u>			<u>Six Months Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	<u>Variance</u>	<u>2014</u>	<u>2013</u>	<u>Variance</u>
Operating revenues	\$1,128	\$1,080	\$ 48	\$2,262	\$2,239	\$ 23
Operating expenses						
Purchased power	269	248	21	589	630	(41)
Operating and maintenance	355	359	(4)	681	687	(6)
Depreciation and amortization	174	170	4	347	337	10
Taxes other than income	72	71	1	149	145	4
Total operating expenses	<u>870</u>	<u>848</u>	<u>22</u>	<u>1,766</u>	<u>1,799</u>	<u>(33)</u>
Operating income	<u>258</u>	<u>232</u>	<u>26</u>	<u>496</u>	<u>440</u>	<u>56</u>
Other income and (deductions)						
Interest expense	(80)	(76)	(4)	(160)	(429)	269
Other, net	5	6	(1)	10	11	(1)
Total other income and (deductions)	<u>(75)</u>	<u>(70)</u>	<u>(5)</u>	<u>(150)</u>	<u>(418)</u>	<u>268</u>
Income before income taxes	183	162	21	346	22	324
Income taxes	72	66	6	137	8	129
Net income	<u>\$ 111</u>	<u>\$ 96</u>	<u>\$ 15</u>	<u>\$ 209</u>	<u>\$ 14</u>	<u>\$ 195</u>

(a) Includes the results of operations of Constellation Energy Nuclear Group, LLC beginning on April 1, 2014, the date the nuclear operating services agreement was executed.

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

PECO

	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	Variance	2014	2013	Variance
Operating revenues	\$ 656	\$ 672	\$ (16)	\$1,649	\$1,567	\$ 82
Operating expenses						
Purchased power and fuel	241	258	(17)	705	664	41
Operating and maintenance	184	181	3	464	369	95
Depreciation and amortization	59	56	3	117	113	4
Taxes other than income	38	39	(1)	80	80	—
Total operating expenses	<u>522</u>	<u>534</u>	<u>(12)</u>	<u>1,366</u>	<u>1,226</u>	<u>140</u>
Operating income	134	138	(4)	283	341	(58)
Other income and (deductions)						
Interest expense	(28)	(28)	—	(56)	(57)	1
Other, net	1	—	1	3	3	—
Total other income and (deductions)	<u>(27)</u>	<u>(28)</u>	<u>1</u>	<u>(53)</u>	<u>(54)</u>	<u>1</u>
Income before income taxes	107	110	(3)	230	287	(57)
Income taxes	23	32	(9)	57	87	(30)
Net income	84	78	6	173	200	(27)
Preferred security dividends and redemption	—	6	(6)	—	7	(7)
Net income attributable to common shareholder	<u>\$ 84</u>	<u>\$ 72</u>	<u>\$ 12</u>	<u>\$ 173</u>	<u>\$ 193</u>	<u>\$ (20)</u>

BGE

	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	Variance	2014	2013	Variance
Operating revenues	\$ 653	\$ 653	\$ —	\$1,707	\$1,533	\$ 174
Operating expenses						
Purchased power and fuel	268	288	(20)	797	713	84
Operating and maintenance	188	160	28	376	303	73
Depreciation and amortization	89	82	7	197	175	22
Taxes other than income	53	54	(1)	113	109	4
Total operating expenses	<u>598</u>	<u>584</u>	<u>14</u>	<u>1,483</u>	<u>1,300</u>	<u>183</u>
Operating income	55	69	(14)	224	233	(9)
Other income and (deductions)						
Interest expense	(27)	(32)	5	(55)	(66)	11
Other, net	5	4	1	9	9	—
Total other income and (deductions)	<u>(22)</u>	<u>(28)</u>	<u>6</u>	<u>(46)</u>	<u>(57)</u>	<u>11</u>
Income before income taxes	33	41	(8)	178	176	2
Income taxes	14	16	(2)	72	70	2
Net income	19	25	(6)	106	106	—
Preference stock dividends	3	3	—	6	6	—
Net income attributable to common shareholders	<u>\$ 16</u>	<u>\$ 22</u>	<u>\$ (6)</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ —</u>

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

Other (a)

	<u>Three Months Ended June 30,</u>			<u>Six Months Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	<u>Variance</u>	<u>2014</u>	<u>2013</u>	<u>Variance</u>
Operating revenues	\$ (202)	\$ (334)	\$ 132	\$ (536)	\$ (719)	\$ 183
Operating expenses						
Purchased power and fuel	(201)	(321)	120	(530)	(721)	191
Operating and maintenance	26	3	23	4	(5)	9
Depreciation and amortization	14	15	(1)	27	27	—
Taxes other than income	7	6	1	15	20	(5)
Total operating expenses	<u>(154)</u>	<u>(297)</u>	<u>143</u>	<u>(484)</u>	<u>(679)</u>	<u>195</u>
Equity in earnings of unconsolidated affiliates	1	—	1	—	—	—
Operating loss	<u>(47)</u>	<u>(37)</u>	<u>(10)</u>	<u>(52)</u>	<u>(40)</u>	<u>(12)</u>
Other income and (deductions)						
Interest expense	(17)	(23)	6	(22)	(148)	126
Other, net	4	6	(2)	8	37	(29)
Total other income and (deductions)	<u>(13)</u>	<u>(17)</u>	<u>4</u>	<u>(14)</u>	<u>(111)</u>	<u>97</u>
Loss before income taxes	(60)	(54)	(6)	(66)	(151)	85
Income benefit	<u>(31)</u>	<u>(24)</u>	<u>(7)</u>	<u>(41)</u>	<u>(19)</u>	<u>(22)</u>
Net loss	<u>\$ (29)</u>	<u>\$ (30)</u>	<u>\$ 1</u>	<u>\$ (25)</u>	<u>\$ (132)</u>	<u>\$ 107</u>

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

EXELON CORPORATION
Consolidated Balance Sheets
(in millions)

	June 30, 2014 (unaudited)	December 31, 2013
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,362	\$ 1,609
Restricted cash and investments	207	167
Accounts receivable, net		
Customer	2,973	2,981
Other	1,005	1,175
Mark-to-market derivative assets	629	727
Unamortized energy contract assets	264	374
Inventories, net		
Fossil fuel	409	276
Materials and supplies	1,041	829
Deferred income taxes	426	573
Regulatory assets	732	760
Other	775	666
Total current assets	9,823	10,137
Property, plant and equipment, net	51,747	47,330
Deferred debits and other assets		
Regulatory assets	5,545	5,910
Nuclear decommissioning trust funds	10,437	8,071
Investments	839	1,165
Investments in affiliates	22	22
Investment in CENG	—	1,925
Goodwill	2,674	2,625
Mark-to-market derivative assets	482	607
Unamortized energy contracts assets	593	710
Pledged assets for Zion Station decommissioning	402	458
Other	1,092	964
Total deferred debits and other assets	22,086	22,457
Total assets (a)	\$ 83,656	\$ 79,924
Liabilities and shareholders' equity		
Current liabilities		
Short-term borrowings	\$ 621	\$ 341
Long-term debt due within one year	2,047	1,509
Accounts payable	2,633	2,484
Accrued expenses	1,382	1,633
Payables to affiliates	38	116
Deferred income taxes	17	40
Regulatory liabilities	368	327
Mark-to-market derivative liabilities	228	159
Unamortized energy contract liabilities	239	261
Other	994	858
Total current liabilities	8,567	7,728
Long-term debt	18,133	17,623
Long-term debt to financing trusts	648	648
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	13,192	12,905
Asset retirement obligations	7,054	5,194
Pension obligations	1,804	1,876
Non-pension postretirement benefit obligations	1,419	2,190
Spent nuclear fuel obligation	1,021	1,021
Regulatory liabilities	4,670	4,388
Mark-to-market derivative liabilities	262	300
Unamortized energy contract liabilities	260	266
Payable for Zion Station decommissioning	264	305
Other	2,133	2,540
Total deferred credits and other liabilities	32,079	30,985
Total liabilities (a)	59,427	56,984
Commitments and contingencies		
Shareholders' equity		
Common stock	16,651	16,741
Treasury stock, at cost	(2,327)	(2,327)
Retained earnings	10,435	10,358
Accumulated other comprehensive loss, net	(1,906)	(2,040)
Total shareholders' equity	22,853	22,732
BGE preference stock not subject to mandatory redemption	193	193
Noncontrolling interest	1,183	15
Total equity	24,229	22,940
Total liabilities and shareholders' equity	\$ 83,656	\$ 79,924

(a) Exelon's consolidated assets include \$7,765 million and \$1,755 million at June 30, 2014 and December 31, 2013, respectively, of certain VIEs that can only be used to settle the liabilities of the VIE. Exelon's consolidated liabilities include \$3,111 million and \$658 million at June 30, 2014 and December 31, 2013, respectively, of certain VIEs for which the VIE creditors do not have recourse to Exelon. See Note 3 – Variable Interest Entities.

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

	Six Months Ended June 30,	
	2014	2013
Cash flows from operating activities		
Net income	\$ 651	\$ 498
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation, amortization, depletion and accretion, including nuclear fuel and energy contract amortization	1,925	1,972
Gain on Consolidation of CENG	(268)	—
Deferred income taxes and amortization of investment tax credits	133	(468)
Net fair value changes related to derivatives	751	(28)
Net realized and unrealized gains on nuclear decommissioning trust fund investments	(168)	(27)
Other non-cash operating activities	567	576
Changes in assets and liabilities:		
Accounts receivable	48	131
Inventories	(150)	(18)
Accounts payable, accrued expenses and other current liabilities	(358)	(583)
Option premiums received (paid), net	21	(10)
Counterparty collateral posted, net	(606)	(259)
Income taxes	(16)	705
Pension and non-pension postretirement benefit contributions	(499)	(284)
Other assets and liabilities	(280)	133
Net cash flows provided by operating activities	<u>1,751</u>	<u>2,338</u>
Cash flows from investing activities		
Capital expenditures	(2,501)	(2,518)
Proceeds from termination of direct financing lease investment	335	—
Proceeds from nuclear decommissioning trust fund sales	4,219	1,448
Investment in nuclear decommissioning trust funds	(4,238)	(1,565)
Acquisition of business	(66)	(3)
Proceeds from sale of long-lived assets	32	4
Cash consolidated from CENG	129	—
Change in restricted cash	(40)	22
Other investing activities	(57)	63
Net cash flows used in investing activities	<u>(2,187)</u>	<u>(2,549)</u>
Cash flows from financing activities		
Changes in short-term borrowings	293	662
Issuance of long-term debt	2,100	509
Retirement of long-term debt	(1,191)	(616)
Redemption of preferred securities	—	(93)
Distributions to non-controlling interest of consolidated VIE	(415)	—
Dividends paid on common stock	(533)	(716)
Proceeds from employee stock plans	18	32
Other financing activities	(83)	(62)
Net cash flows provided by (used in) financing activities	<u>189</u>	<u>(284)</u>
Decrease in cash and cash equivalents	<u>(247)</u>	<u>(495)</u>
Cash and cash equivalents at beginning of period	1,609	1,486
Cash and cash equivalents at end of period	<u>\$ 1,362</u>	<u>\$ 991</u>

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

	Three Months Ended June 30, 2014			Three Months Ended June 30, 2013		
	GAAP (a)	Adjustments	Adjusted Non-GAAP	GAAP (a)	Adjustments	Adjusted Non-GAAP
Operating revenues	\$ 6,024	\$ 170 (b),(c)	\$ 6,194	\$ 6,141	\$ (259)(b),(c)	\$ 5,882
Operating expenses						
Purchased power and fuel	2,412	108 (b),(c)	2,520	2,419	(9)(b),(c)	2,410
Operating and maintenance	2,166	(137)(d),(e),(f)	2,029	1,892	(133)(d),(f)	1,759
Depreciation and amortization	590	—	590	533	(1)(d)	532
Taxes other than income	288	—	288	271	—	271
Total operating expenses	<u>5,456</u>	<u>(29)</u>	<u>5,427</u>	<u>5,115</u>	<u>(143)</u>	<u>4,972</u>
Equity in losses of unconsolidated affiliates	—	—	—	(21)	21 (c)	—
Gain on consolidation of CENG	261	(261)(g)	—	—	—	—
Operating income	<u>829</u>	<u>(62)</u>	<u>767</u>	<u>1,005</u>	<u>(95)</u>	<u>910</u>
Other income and (deductions)						
Interest expense	(238)	8 (e)	(230)	(252)	4 (i)	(248)
Other, net	243	(162)(h)	81	(17)	57 (d),(h),(i)	40
Total other income and (deductions)	<u>5</u>	<u>(154)</u>	<u>(149)</u>	<u>(269)</u>	<u>61</u>	<u>(208)</u>
Income before income taxes	834	(216)	618	736	(34)	702
Income taxes	277	(111)(b),(c),(d),(e),(f),(g),(h),(i),(j)	166	239	2 (b),(c),(d),(f),(h),(i),(k)	241
Net income	<u>557</u>	<u>(105)</u>	<u>452</u>	<u>497</u>	<u>(36)</u>	<u>461</u>
Net income attributable to noncontrolling interests and preference stock dividends	35	(23)(j)	12	7	—	7
Net income attributable to common shareholders	<u>\$ 522</u>	<u>\$ (82)</u>	<u>\$ 440</u>	<u>\$ 490</u>	<u>\$ (36)</u>	<u>\$ 454</u>
Effective tax rate	33.2%		26.9%	32.5%		34.3%
Earnings per average common share						
Basic	\$ 0.61	\$ (0.10)	\$ 0.51	\$ 0.57	\$ (0.04)	\$ 0.53
Diluted	<u>\$ 0.60</u>	<u>\$ (0.09)</u>	<u>\$ 0.51</u>	<u>\$ 0.57</u>	<u>\$ (0.04)</u>	<u>\$ 0.53</u>
Average common shares outstanding						
Basic	860		860	856		856
Diluted	864		864	860		860
Effect of adjustments on earnings per average diluted common share recorded in accordance with GAAP:						
Mark-to-market impact of economic hedging activities (b)		\$ 0.01			\$ (0.30)	
Amortization of commodity contract intangibles (c)		0.03			0.13	
Merger and integration costs (d)		0.02			0.02	
PHI acquisition costs (e)		0.01			—	
Long-lived asset impairment (f)		0.08			0.08	
Gain on CENG Integration (g)		(0.18)			—	
Unrealized gains related to NDT fund investments (h)		(0.09)			0.03	
Non-controlling interest (j)		0.03			—	
Total adjustments		<u>\$ (0.09)</u>			<u>\$ (0.04)</u>	

For the three months ended June 30, 2014, includes the results of operations of Constellation Energy Nuclear Group, LLC beginning on April 1, 2014, the date the nuclear operating services agreement was executed.

- (a) Results reported in accordance with accounting principles generally accepted in the United States (GAAP).
(b) Adjustment to exclude the mark-to-market impact of Exelon's economic hedging activities, net of intercompany eliminations.
(c) Adjustment to exclude the non-cash amortization of intangible assets, net, related to commodity contracts recorded at fair value at the merger date.
(d) Adjustment to exclude certain costs incurred associated with the Constellation merger and at Generation the Constellation Energy Nuclear Group, LLC (CENG) transaction, including employee-related expenses (e.g. severance, retirement, relocation and retention bonuses), integration initiatives, and certain pre-acquisition contingencies.
(e) Adjustment to exclude certain costs incurred associated with the Pepco Holdings Inc. acquisition, including professional fees and upfront credit facility fees.
(f) Adjustment to exclude a 2014 charge to earnings primarily related to the impairment of certain wind generating assets and a 2013 charge to earnings primarily related to the cancellation of previously capitalized nuclear uprate projects.
(g) Adjustment to exclude the gain recorded upon consolidation of CENG resulting from the difference in the fair value of CENG's net assets and the equity method investment previously recorded on Generation's and Exelon's books and the settlement of pre-existing commitments between Generation and CENG.
(h) Adjustment to exclude the unrealized gains on NDT fund investments to the extent not offset by contractual accounting as described in the notes to the consolidated financial statements.
(i) Adjust to exclude the non-cash amortization of certain debt recorded at fair value at the Constellation merger date, which was retired in the second quarter of 2013.
(j) Adjustments to account for the CENG interest not owned by Generation, where applicable.
(k) Adjustment to exclude the non-cash impacts of the remeasurement of state deferred income taxes as a result of the merger.

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

	Six Months Ended June 30, 2014			Six Months Ended June 30, 2013		
	GAAP (a)	Adjustments	Adjusted Non-GAAP	GAAP (a)	Adjustments	Adjusted Non-GAAP
Operating revenues	\$ 13,261	\$ 1,020(b),(c),(d)	\$ 14,281	\$ 12,223	\$ 552(c),(d)	\$ 12,775
Operating expenses						
Purchased power and fuel	6,752	187(c),(d)	6,939	5,400	244(c),(d)	5,644
Operating and maintenance	4,024	(149)(b),(e),(f)	3,875	3,656	(170)(b),(f)	3,486
Depreciation and amortization	1,154	—	1,154	1,076	(2)(b)	1,074
Taxes other than income	580	—	580	548	—	548
Total operating expenses	<u>12,510</u>	<u>38</u>	<u>12,548</u>	<u>10,680</u>	<u>72</u>	<u>10,752</u>
Equity in earnings (loss) of unconsolidated affiliates	(20)	12(b),(c)	(8)	(30)	39(c)	9
Gain on consolidation of CENG	261	(261)(g)	—	—	—	—
Operating income	<u>992</u>	<u>733</u>	<u>1,725</u>	<u>1,513</u>	<u>519</u>	<u>2,032</u>
Other income and (deductions)						
Interest expense	(465)	8(e)	(457)	(876)	371(b),(j),(f),(k)	(505)
Other, net	348	(205)(h),(i)	143	155	(53)(b),(h),(k),(l)	102
Total other income and (deductions)	<u>(117)</u>	<u>(197)</u>	<u>(314)</u>	<u>(721)</u>	<u>318</u>	<u>(403)</u>
Income before income taxes	875	536	1,411	792	837	1,629
Income taxes	224	201(b),(c),(d),(e),(f),(j),(g),(h),(i)	425	294	267(b),(c),(d),(f),(h),(j),(k),(l)	561
Net income	<u>651</u>	<u>335</u>	<u>986</u>	<u>498</u>	<u>570</u>	<u>1,068</u>
Net income attributable to noncontrolling interests, preferred security dividends and redemption and preference stock dividends	39	(23)(m)	16	12	—	12
Net income attributable to common shareholders	<u>\$ 612</u>	<u>\$ 358</u>	<u>\$ 970</u>	<u>\$ 486</u>	<u>\$ 570</u>	<u>\$ 1,056</u>
Effective tax rate	25.6%		30.1%	37.1%		34.4%
Earnings per average common share						
Basic	\$ 0.71	\$ 0.42	\$ 1.13	\$ 0.57	\$ 0.67	\$ 1.23
Diluted	<u>\$ 0.71</u>	<u>\$ 0.41</u>	<u>\$ 1.12</u>	<u>\$ 0.57</u>	<u>\$ 0.66</u>	<u>\$ 1.23</u>
Average common shares outstanding						
Basic	860		860	856		856
Diluted	863		863	859		859
Effect of adjustments on earnings per average diluted common share recorded in accordance with GAAP:						
Merger and integration costs (b)		\$ 0.03			\$ 0.05	
Amortization of commodity contract intangibles (c)		0.06			0.27	
Mark-to-market impact of economic hedging activities (d)		0.52			(0.02)	
PHI acquisition costs (e)		0.01			—	
Long-lived asset impairment (f)		0.08			0.10	
Gain on CENG Integration (g)		(0.18)			—	
Unrealized gains related to NDT fund investments (h)		(0.10)			(0.02)	
Tax settlement (i)		(0.04)			—	
Remeasurement of like-kind exchange tax position (j)		—			0.31	
Amortization of the fair value of certain debt (k)		—			(0.01)	
Plant retirements and divestitures (l)		—			(0.02)	
Non-controlling interest (m)		0.03			—	
Total adjustments		<u>\$ 0.41</u>			<u>\$ 0.66</u>	

For the six months ended June 30, 2014, includes the results of operations of Constellation Nuclear Energy Group, LLC beginning on April 1, 2014, the date the nuclear operating services agreement was executed.

- (a) Results reported in accordance with GAAP.
- (b) Adjustment to exclude certain costs incurred associated with the Constellation merger and at Generation the Constellation Energy Nuclear Group, LLC (CENG) transaction, including employee-related expenses (e.g. severance, retirement, relocation and retention bonuses), integration initiatives, and certain pre-acquisition contingencies.
- (c) Adjustment to exclude the non-cash amortization of intangible assets, net, related to commodity contracts recorded at fair value at the merger date.
- (d) Adjustment to exclude the mark-to-market impact of Exelon's economic hedging activities, net of intercompany eliminations.
- (e) Adjustment to exclude certain costs incurred associated with the Pepco Holdings Inc. acquisition, including professional fees and upfront credit facility fees.
- (f) Adjustment to exclude a 2014 charge to earnings primarily related to the impairment of certain wind generating assets and a 2013 charge to earnings primarily related to the cancellation of previously capitalized nuclear uprate projects.
- (g) Adjustment to exclude the gain recorded upon consolidation of CENG resulting from the difference in the fair value of CENG's net assets and the equity method investment previously recorded on Generation's and Exelon's books and the settlement of pre-existing commitments between Generation and CENG.
- (h) Adjustment to exclude the unrealized gains on NDT fund investments to the extent not offset by contractual accounting as described in the notes to the consolidated financial statements.
- (i) Adjustment to account for a favorable tax settlement in 2014 of certain income tax positions on Constellation's 2009-2012 tax returns.
- (j) Adjustment to exclude the non-cash impacts of the remeasurement of state deferred income taxes as a result of the merger.
- (k) Adjust to exclude the non-cash amortization of certain debt recorded at fair value at the Constellation merger date, which was retired in the second quarter of 2013.
- (l) Adjustment to exclude the impacts associated with the sale or retirement of generating stations.
- (m) Adjustments to account for the CENG interest not owned by Generation, where applicable.

EXELON CORPORATION
Reconciliation of Adjusted (non-GAAP) Operating
Earnings to GAAP Earnings (in millions)
Three Months Ended June 30, 2014 and 2013
(unaudited)

	Exelon Earnings per Diluted Share	Generation	ComEd	PECO	BGE	Other (a)	Exelon
2013 GAAP Earnings (Loss)	\$ 0.57	\$ 330	\$ 96	\$ 72	\$ 22	\$ (30)	\$ 490
2013 Adjusted (non-GAAP) Operating Earnings (Loss) Adjustments:							
Mark-to-Market Impact of Economic Hedging Activities	(0.30)	(263)	—	—	—	10	(253)
Unrealized Losses Related to NDT Fund Investments (1)	0.03	22	—	—	—	—	22
Merger and Integration Costs (2)	0.02	12	—	2	1	—	15
Amortization of Commodity Contract Intangibles (3)	0.13	115	—	—	—	—	115
Amortization of the Fair Value of Certain Debt (4)	—	(4)	—	—	—	—	(4)
Long-Lived Asset Impairment (5)	0.08	61	—	—	—	8	69
2013 Adjusted (non-GAAP) Operating Earnings (Loss)	0.53	273	96	74	23	(12)	454
Year Over Year Effects on Earnings:							
Generation Energy Margins, Excluding Mark-to-Market:							
Volume Impacts for Generation Revenue (9)	0.14	126	—	—	—	—	126
Fuel Cost Impacts for Generation (10)	(0.05)	(46)	—	—	—	—	(46)
Capacity Pricing (11)	0.09	78	—	—	—	—	78
Market and Portfolio Conditions (12)	(0.07)	(62)	—	—	—	—	(62)
ComEd, PECO and BGE Margins:							
Weather	—	—	1	(5)	(b)	—	(4)
Load	—	—	—	2	(b)	—	2
Other Energy Delivery (13)	0.04	—	15	4	12	3	34
Operating and Maintenance Expense:							
Labor, Contracting and Materials (14)	(0.10)	(77)	(2)	(3)	(5)	1	(86)
Planned Nuclear Refueling Outages (15)	(0.05)	(42)	—	—	—	—	(42)
Pension and Non-Pension Postretirement Benefits(16)	0.04	17	15	1	(1)	2	34
Other Operating and Maintenance (17)	(0.07)	(28)	(10)	(1)	(11)	(4)	(54)
Depreciation and Amortization Expense (18)	(0.04)	(28)	(2)	(2)	(3)	(1)	(36)
Equity in Earnings of Unconsolidated Affiliates	—	(1)	—	—	—	1	—
Income Taxes (19)	0.03	19	1	9	(2)	2	29
Interest Expense, Net (20)	0.01	2	(2)	—	3	7	10
CENG Non-Controlling Interest	(0.01)	(11)	—	—	—	(1)	(12)
Other (21)	0.02	11	(1)	5	—	—	15
2014 Adjusted (non-GAAP) Operating Earnings	0.51	231	111	84	16	(2)	440
2014 Adjusted (non-GAAP) Operating Earnings (Loss) Adjustments:							
Mark-to-Market Impact of Economic Hedging Activities	(0.01)	(8)	—	—	—	—	(8)
Unrealized Gains Related to NDT Fund Investments (1)	0.09	76	—	—	—	—	76
Merger and Integration Costs (2)	(0.02)	(19)	—	—	—	—	(19)
Amortization of Commodity Contract Intangibles (3)	(0.03)	(23)	—	—	—	—	(23)
Long-Lived Asset Impairment (5)	(0.08)	(53)	—	—	—	(15)	(68)
Gain on CENG Integration (6)	0.18	159	—	—	—	—	159
PHI Acquisition Costs (7)	(0.01)	—	—	—	—	(12)	(12)
Non-Controlling Interest (8)	(0.03)	(23)	—	—	—	—	(23)
2014 GAAP Earnings (Loss)	\$ 0.60	\$ 340	\$ 111	\$ 84	\$ 16	\$ (29)	\$ 522

Notes:

- * Beginning on April 1, 2014, each line item above includes 100% of CENG's results of operations. Prior to April 1, 2014, CENG's net results were included in equity in earnings (loss) on unconsolidated affiliates. Therefore, the results of operations from 2014 and 2013 for each line item above are not comparable for Generation and Exelon. The explanations below identify any other significant or unusual items affecting the results of operations.
- * Effective in the fourth quarter of 2013 Exelon switched from applying a blended tax rate to applying a marginal tax rate to the drivers and exclusions presented above, resulting in minor changes when comparing to historical earnings release filings.
- * Effective in the first quarter of 2014, 'Nuclear Volume' and 'Nuclear Fuel Costs' were changed to 'Volume Impacts for Generation Revenue' and 'Fuel Cost Impacts for Generation,' respectively, reflecting a full Generation perspective.
- (a) Other primarily includes eliminating and consolidating adjustments, Exelon's corporate operations, shared service entities and other financing and investment activities.
- (b) As approved by the Maryland PSC, BGE records a monthly adjustment to rates for residential and the majority of its commercial and industrial customers to eliminate the effect of abnormal weather and usage patterns per customer on distribution volumes.
- (1) Reflects the impact of unrealized gains and losses on NDT fund investments to the extent not offset by contractual accounting as described in the notes to the consolidated financial statements.
- (2) Reflects certain costs incurred associated with the Constellation merger and at Generation the Constellation Energy Nuclear Group, LLC (CENG) integration, including employee-related expenses (e.g. severance, retirement, relocation and retention bonuses), integration initiatives and certain pre-acquisition contingencies.
- (3) Represents the non-cash amortization of intangible assets, net, related to commodity contracts recorded at fair value at the Constellation merger date and at the CENG integration date.
- (4) Represents the non-cash amortization of certain debt recorded at fair value at the Constellation merger date, which was retired in the second quarter of 2013.
- (5) Reflects a 2013 charge to earnings primarily related to the cancellation of previously capitalized nuclear uprate projects and a 2014 charge primarily related to the impairment of certain wind generating assets.
- (6) Represents the gain recorded upon consolidation of CENG resulting from the difference in the fair value of CENG's net assets as of April 1, 2014, and the equity method investment previously recorded on Generation's and Exelon's books and the settlement of pre-existing transactions between Generation and CENG.
- (7) Reflects certain costs incurred associated with the Peppo Holdings Inc. (PHI) acquisition, including professional fees and upfront credit facility fees.
- (8) Represents adjustments to account for the CENG interest not owned by Generation, where applicable.
- (9) Primarily reflects the inclusion of CENG's results for the second quarter in 2014 and increased fossil generation in the South region, partially offset by a reduction in revenue due to increased nuclear generating outage days in 2014, including Salem, and a decrease in fossil generation in New England as a result of optimizing favorable commodity pricing, which is partially offset within market and portfolio conditions.
- (10) Primarily reflects the inclusion of CENG's results for the second quarter in 2014, and an increase in fossil generation in the South region, partially offset by lower nuclear generation and the cancellation of the DOE spent nuclear fuel disposal fee.
- (11) Primarily reflects the impact of increased capacity prices related to the Reliability Pricing Model (RPM) for the PJM Interconnection, LLC (PJM) market in addition to the inclusion of CENG's results for the second quarter in 2014.
- (12) Primarily reflects the impact of lower realized energy prices, partially offset by optimizing favorable commodity pricing in New England and the South.
- (13) For ComEd, primarily reflects higher distribution formula rate revenue due to increased capital investments and increased cost recovery associated with energy efficiency programs (offset in other operating and maintenance expenses), partially offset by lower distribution formula rate revenue due to decreased pension and non-pension postretirement expense (offset below). For BGE, includes increased distribution revenue pursuant to electric and natural gas distribution rate case orders issued by the Maryland PSC.
- (14) Primarily reflects the inclusion of CENG's results for the second quarter in 2014 at Generation, an increase in contracting costs as a result of increased unplanned nuclear outage days at Generation, and inflation across all operating companies.
- (15) Primarily as a result of the inclusion of CENG's results for the second quarter in 2014, and the impact of increased planned nuclear refueling outage days in 2014, excluding Salem.
- (16) Primarily reflects cost savings from plan design changes for certain OPEB plans, and the favorable impact of higher actuarially assumed pension and OPEB discount rates for 2014, partially offset by the inclusion of CENG's results for the second quarter in 2014.
- (17) At Generation, primarily relates to the inclusion of CENG's results for the second quarter in 2014, and an increase in the reserve for future asbestos-related bodily injury claims. At ComEd, primarily relates to increased spend on energy and efficiency programs, and increased uncollectible accounts expense (both offset in other energy and delivery revenue). At BGE, primarily relates to increased uncollectible accounts expense.
- (18) Primarily reflects the inclusion of CENG's results for the second quarter in 2014 at Generation, and increased depreciation expense across the operating companies for ongoing capital expenditures.
- (19) At Generation, primarily reflects increase in domestic production activities deduction partially offset by a reduction in the investment tax credit benefits. At PECO, primarily reflects an increase in electric tax repairs deduction.

- (20) Primarily relates to the unfavorable franchise tax settlement in 2013 at Exelon Corporate.
- (21) For Generation, primarily reflects higher realized NDT fund gains.

EXELON CORPORATION (a)
Reconciliation of Adjusted (non-GAAP) Operating
Earnings to GAAP Earnings (in millions)
Six Months Ended June 30, 2014 and 2013
(unaudited)

	Exelon Earnings per Diluted Share	Generation	ComEd	PECO	BGE	Other (a)	Exelon
	\$ 0.57	\$ 311	\$ 14	\$ 193	\$100	\$ (132)	\$ 486
2013 GAAP Earnings (Loss)							
2013 Adjusted (non-GAAP) Operating Earnings (Loss) Adjustments:							
Mark-to-Market Impact of Economic Hedging Activities	(0.02)	(16)	—	—	—	(2)	(18)
Unrealized Gains Related to NDT Fund Investments (1)	(0.02)	(14)	—	—	—	—	(14)
Plant Retirements and Divestitures (2)	(0.02)	(13)	—	—	—	—	(13)
Merger and Integration Costs (3)	0.05	41	—	3	(4)	3	43
Amortization of Commodity Contract Intangibles (4)	0.27	232	—	—	—	—	232
Amortization of the Fair Value of Certain Debt (5)	(0.01)	(7)	—	—	—	—	(7)
Remeasurement of Like-Kind Exchange Tax Position (6)	0.31	—	171	—	—	94	265
Long-Lived Asset Impairment (7)	0.10	75	—	—	—	7	82
2013 Adjusted (non-GAAP) Operating Earnings (Loss)	1.23	609	185	196	96	(30)	1,056
Year Over Year Effects on Earnings:							
Generation Energy Margins, Excluding Mark-to-Market:							
Volume Impacts for Generation Revenue (12)	0.10	85	—	—	—	—	85
Fuel Cost Impacts for Generation (13)	(0.09)	(82)	—	—	—	—	(82)
Capacity Pricing (14)	0.17	148	—	—	—	—	148
Market and Portfolio Conditions (15)	(0.16)	(141)	—	—	—	—	(141)
ComEd, PECO and BGE Margins:							
Weather	0.03	—	9	15	(b)	—	24
Load	0.01	—	4	5	(b)	—	9
Other Energy Delivery (16)	0.10	—	25	4	54	(1)	82
Operating and Maintenance Expense:							
Labor, Contracting and Materials (17)	(0.11)	(74)	(5)	(3)	(14)	—	(96)
Planned Nuclear Refueling Outages (18)	(0.06)	(48)	—	—	—	—	(48)
Pension and Non-Pension Postretirement Benefits (19)	0.04	21	21	—	(2)	3	43
Other Operating and Maintenance (20)	(0.13)	(26)	(12)	(56)	(24)	3	(115)
Depreciation and Amortization Expense (21)	(0.06)	(28)	(5)	(2)	(13)	(2)	(50)
Equity in Earnings of Unconsolidated Affiliates (22)	(0.01)	(10)	—	—	—	—	(10)
Income Taxes (23)	0.03	13	—	9	(1)	5	26
Interest Expense, Net (24)	0.02	12	(10)	—	7	12	21
Other (25)	0.03	22	(3)	5	(3)	8	29
CENG Non-Controlling Interest	(0.01)	(11)	—	—	—	—	(11)
Share Differential	(0.01)	—	—	—	—	—	—
2014 Adjusted (non-GAAP) Operating Earnings (Loss)	1.12	490	209	173	100	(2)	970
2014 Adjusted (non-GAAP) Operating Earnings (Loss) Adjustments:							
Mark-to-Market Impact of Economic Hedging Activities	(0.52)	(455)	—	—	—	4	(451)
Unrealized Gains Related to NDT Fund Investments (1)	0.10	84	—	—	—	—	84
Merger and Integration Costs (3)	(0.03)	(28)	—	—	—	—	(28)
Amortization of Commodity Contract Intangibles (4)	(0.06)	(54)	—	—	—	—	(54)
Long-Lived Asset Impairment (7)	(0.08)	(53)	—	—	—	(15)	(68)
Tax Settlements (8)	0.04	35	—	—	—	—	35
Gain on CENG Integration (9)	0.18	159	—	—	—	—	159
PHI Acquisition Costs (10)	(0.01)	—	—	—	—	(12)	(12)
Non-Controlling Interest (11)	(0.03)	(23)	—	—	—	—	(23)
2014 GAAP Earnings (Loss)	\$ 0.71	\$ 155	\$ 209	\$ 173	\$100	\$ (25)	\$ 612

Note:

- * Beginning on April 1, 2014, each line item above includes 100% of CENG's results of operations. Prior to April 1, 2014, CENG's net results were included in equity in earnings (loss) on unconsolidated affiliates. Therefore, the results of operations from 2014 and 2013 for each line item above are not comparable for Generation and Exelon. The explanations below identify any other significant or unusual items affecting the results of operations.
- * Effective in the fourth quarter of 2013 Exelon switched from applying a blended tax rate to applying a marginal tax rate to the drivers and exclusions presented above, resulting in minor changes when comparing to historical earnings release filings.
- * Effective in the first quarter of 2014, 'Nuclear Volume' and 'Nuclear Fuel Costs' were changed to 'Volume Impacts for Generation Revenue' and 'Fuel Cost Impacts for Generation,' respectively, reflecting a full Generation perspective.
- (a) Other primarily includes eliminating and consolidating adjustments, Exelon's corporate operations, shared service entities and other financing and investment activities.
- (b) As approved by the Maryland PSC, BGE records a monthly adjustment to rates for residential and the majority of its commercial and industrial customers to eliminate the effect of abnormal weather and usage patterns per customer on distribution volumes.
- (1) Reflects the impact of unrealized gains on NDT fund investments to the extent not offset by contractual accounting as described in the notes to the consolidated financial statements.
- (2) Reflects the impacts associated with the sale or retirement of generating stations.
- (3) Reflects certain costs incurred associated with the Constellation merger and at Generation the Constellation Energy Nuclear Group, LLC (CENG) integration, including employee-related expenses (e.g. severance, retirement, relocation and retention bonuses), integration initiatives and certain pre-acquisition contingencies.
- (4) Represents the non-cash amortization of intangible assets, net, related to commodity contracts recorded at fair value at the Constellation merger date and at the CENG integration date.
- (5) Represents the non-cash amortization of certain debt recorded at fair value at the Constellation merger date, which was retired in the second quarter of 2013.
- (6) Represents a non-cash charge to earnings resulting from the first quarter 2013 remeasurement of a like-kind exchange tax position taken on ComEd's 1999 sale of fossil generating assets.
- (7) Reflects a 2013 charge to earnings primarily related to the cancellation of previously capitalized nuclear uprate projects and a 2014 charge primarily related to the impairment of certain wind generating assets.
- (8) Reflects a benefit related to the favorable settlement in 2014 of certain income tax positions on Constellation's 2009-2012 tax returns.
- (9) Represents the gain recorded upon consolidation of CENG resulting from the difference in the fair value of CENG's net assets as of April 1, 2014, and the equity method investment previously recorded on Generation's and Exelon's books and the settlement of pre-existing transactions between Generation and CENG.
- (10) Reflects certain costs incurred associated with the Pepco Holdings Inc. (PHI) acquisition, including professional fees and upfront credit facility fees.
- (11) Represents adjustments to account for the CENG interest not owned by Generation, where applicable.
- (12) Primarily reflects the inclusion of CENG's results for the second quarter in 2014 and an increase in revenue in the ERCOT region as a result of extreme cold weather in the first quarter of 2014, partially offset by a reduction in revenue given increased nuclear generating outage days in 2014, including Salem, and a decrease in fossil generation in New England as a result of optimizing favorable commodity pricing, which is partially offset within market and portfolio conditions.
- (13) Primarily reflects the inclusion of CENG's results for the second quarter in 2014, an increase in fossil fuel costs due to the extreme cold weather during the first quarter of 2014, and the increase in fossil generation in the South and Mid-Atlantic regions, partially offset by lower nuclear generation, decreased fossil generation in the New England region and the cancellation of the DOE spent nuclear fuel disposal fee.
- (14) Primarily reflects the impact of increased capacity prices related to the Reliability Pricing Model (RPM) for the PJM Interconnection, LLC (PJM) market in addition to the inclusion of CENG's results for the second quarter in 2014.
- (15) Primarily reflects the impact of lower realized energy prices, and higher procurement costs for replacement power as a result of the extreme cold weather in the first quarter of 2014, partially offset by optimizing favorable commodity pricing in New England and South.
- (16) For BGE, includes increased distribution revenue pursuant to electric and natural gas distribution rate case orders issued by the Maryland PSC and increased cost recovery for energy efficiency and demand response programs (primarily offset in depreciation and amortization expense). For ComEd, primarily reflects higher distribution formula rate revenue due to increased capital investments, and increased cost recovery associated with energy efficiency programs (offset in other operating and maintenance expenses), partially offset by lower distribution formula rate revenue due to decreased pension and non-pension postretirement expense (offset below).
- (17) Primarily reflects the inclusion of CENG's results for the second quarter in 2014 at Generation, an increase in contracting costs as a result of increased unplanned nuclear outage days at Generation, an increase in maintenance related activities at BGE due to extreme cold temperatures, and inflation across all operating companies, partially offset at Generation by synergies

realized in 2014.

- (18) Primarily as a result of the inclusion of CENG, and the impact of increased planned nuclear refueling outage days in 2014, excluding Salem.
- (19) Primarily reflects cost savings from plan design changes for certain OPEB plans, and the favorable impact of higher actuarially assumed pension and OPEB discount rates for 2014, partially offset by the inclusion of CENG's results for the second quarter in 2014.
- (20) For Generation, primarily reflects the inclusion of CENG's results for the second quarter in 2014 and an increase in the reserve for future asbestos-related bodily injury claims. In the PECO and BGE service territories, primarily reflects increased storm costs, including the February 5, 2014 ice storm. For BGE, also reflects an increase in uncollectible accounts expense. For ComEd, primarily reflects increased spend on energy and efficiency programs, partially offset by decreased uncollectible accounts expense (both offset in other energy and delivery revenue).
- (21) Primarily reflects the inclusion of CENG's results for the second quarter in 2014 and increased depreciation expense across the operating companies for ongoing capital expenditures. At BGE, also reflects increased regulatory asset amortization related to higher energy efficiency and demand response program expenditures (primarily offset in other energy delivery revenue).
- (22) Primarily reflects the second quarter 2013 non-cash amortization of the fair value basis difference recorded at the Constellation merger date, offset by equity in losses in CENG in 2013, which is now consolidated in 2014.
- (23) At Generation, primarily reflects the favorable settlement of certain income positions and an increase in domestic production activities deduction, partially offset by a reduction in investment tax credit benefits. At PECO, primarily reflects an increase in electric tax repairs deduction.
- (24) For Generation, primarily reflects a benefit recorded in 2014 related to the favorable settlement of certain income tax positions on Constellation's 2009-2012 tax returns. For ComEd, primarily reflects a favorable adjustment recorded in the first quarter of 2013 related to the 1999-2001 IRS settlement. For BGE, primarily reflects the impact of favorable interest rates in 2014. For Corporate, includes the impacts of a 2013 unfavorable franchise tax case settlement.
- (25) For Generation, primarily reflects higher realized NDT fund gains.

EXELON CORPORATION
Reconciliation of Adjusted (non-GAAP) Operating Earnings to
GAAP Consolidated Statements of Operations
(unaudited)
(in millions)

	Generation					
	Three Months Ended June 30, 2014			Three Months Ended June 30, 2013		
	GAAP (a)	Adjustments	Adjusted Non-GAAP	GAAP (a)	Adjustments	Adjusted Non-GAAP
Operating revenues	\$ 3,789	\$ 170 (b),(c)	\$ 3,959	\$ 4,070	\$ (270)(b),(c)	\$ 3,800
Operating expenses						
Purchased power and fuel	1,835	108 (b),(c)	1,943	1,946	(9)(b),(c)	1,937
Operating and maintenance	1,413	(101)(d),(i)	1,312	1,189	(113)(d),(i)	1,076
Depreciation and amortization	254	—	254	210	(1)(d)	209
Taxes other than income	118	—	118	101	—	101
Total operating expenses	3,620	7	3,627	3,446	(123)	3,323
Equity in (losses) earnings of unconsolidated affiliates	(1)	—	(1)	(21)	21 (c)	—
Gain on consolidation of CENG	261	(261)(e)	—	—	—	—
Operating income	429	(98)	331	603	(126)	477
Other income and (deductions)						
Interest expense	(86)	—	(86)	(93)	4 (i),(j)	(89)
Other, net	228	(162)(f)	66	(33)	57 (d),(f),(j)	24
Total other income and (deductions)	142	(162)	(20)	(126)	61	(65)
Income before income taxes	571	(260)	311	477	(65)	412
Income (benefit) taxes	199	(128)(b),(c),(d),(e),(f),(i)	71	149	(8)(b),(c),(d),(f),(i),(j)	141
Net income	372	(132)	240	328	(57)	271
Net loss attributable to noncontrolling interests	32	(23)(h)	9	(2)	—	(2)
Net income attributable to membership interest	\$ 340	\$ (109)	\$ 231	\$ 330	\$ (57)	\$ 273
	Six Months Ended June 30, 2014					
	GAAP (a)	Adjustments	Adjusted Non-GAAP	GAAP (a)	Adjustments	Adjusted Non-GAAP
Operating revenues	\$ 8,179	\$ 1,020 (b),(c),(d)	\$ 9,199	\$ 7,603	\$ 558 (b),(c)	\$ 8,161
Operating expenses						
Purchased power and fuel	5,191	187 (b),(c)	5,378	4,114	244 (b),(c)	4,358
Operating and maintenance	2,499	(114)(d),(i)	2,385	2,302	(154)(d),(i)	2,148
Depreciation, amortization, accretion and depletion	466	—	466	424	(2)(d),(i)	422
Taxes other than income	223	—	223	194	—	194
Total operating expenses	8,379	73	8,452	7,034	88	7,122
Equity in earnings (loss) of unconsolidated affiliates	(20)	12 (c),(d)	(8)	(30)	39 (c)	9
Gain on consolidation of CENG	261	(261)(e)	—	—	—	—
Operating income	41	698	739	539	509	1,048
Other income and (deductions)						
Interest expense	(172)	—	(172)	(176)	2 (d),(i),(j)	(174)
Other, net	318	(205)(f),(g)	113	95	(53)(d),(f),(j),(k)	42
Total other income and (deductions)	146	(205)	(59)	(81)	(51)	(132)
Income before income taxes	187	493	680	458	458	916
Income taxes	(1)	181 (b),(c),(d),(e),(f),(g),(h),(i)	180	148	160 (b),(c),(d),(f),(i),(j),(k)	308
Net income	188	312	500	310	298	608
Net loss attributable to noncontrolling interests	33	(23)(h)	10	(1)	—	(1)
Net income attributable to membership interest	\$ 155	\$ 335	\$ 490	\$ 311	\$ 298	\$ 609

Note: Includes the results of operations of Constellation Energy Nuclear Group, LLC beginning on April 1, 2014, the date the nuclear operating services agreement was executed.

- (a) Results reported in accordance with GAAP.
- (b) Adjustment to exclude the mark-to-market impact of Generation's economic hedging activities.
- (c) Adjustment to exclude the non-cash amortization of intangible assets, net, related to commodity contracts recorded at fair value at the merger date.
- (d) Adjustment to exclude certain costs incurred associated with the Constellation merger and Constellation Energy Nuclear Group, LLC (CENG) transaction, including employee-related expenses (e.g. severance, retirement, relocation and retention bonuses), integration initiatives, and certain pre-acquisition contingencies.
- (e) Adjustment to exclude the gain recorded upon consolidation of CENG resulting from the difference in the fair value of CENG's net assets and the equity method investment previously recorded on Generation's and Exelon's books and the settlement of pre-existing commitments between Generation and CENG.
- (f) Adjustment to exclude the unrealized gains on NDT fund investments to the extent not offset by contractual accounting as described in the notes to the consolidated financial statements.
- (g) Adjustment to reflect a benefit related to the favorable settlement in 2014 of certain income tax positions on Constellation's 2009-2012 tax returns.
- (h) Adjustments for the non-cash amortization, net, related to commodity contracts recorded at fair value at the CENG integration date, costs incurred associated with the CENG integration, and the impact of unrealized gains and losses on NDT fund investments, to account for the CENG interest not owned by Generation.
- (i) Adjustment to exclude a 2014 charge to earnings primarily related to the impairment of certain wind generating assets and a 2013 charge to earnings primarily related to the cancellation of previously capitalized nuclear uprate projects.
- (j) Adjustment to exclude the non-cash amortization of certain debt recorded at fair value at the merger date, which was retired in the second quarter of 2013.
- (k) Adjustment to exclude the impacts associated with the sale or retirement of generating stations.

EXELON CORPORATION
Reconciliation of Adjusted (non-GAAP) Operating Earnings to
GAAP Consolidated Statements of Operations
(unaudited)
(in millions)

	ComEd					
	Three Months Ended June 30, 2014			Three Months Ended June 30, 2013		
	GAAP (a)	Adjustments	Adjusted Non-GAAP	GAAP (a)	Adjustments	Adjusted Non-GAAP
Operating revenues	\$ 1,128	\$ —	\$ 1,128	\$ 1,080	\$ —	\$ 1,080
Operating expenses						
Purchased power	269	—	269	248	—	248
Operating and maintenance	355	—	355	359	—	359
Depreciation and amortization	174	—	174	170	—	170
Taxes other than income	72	—	72	71	—	71
Total operating expenses	<u>870</u>	<u>—</u>	<u>870</u>	<u>848</u>	<u>—</u>	<u>848</u>
Operating income	<u>258</u>	<u>—</u>	<u>258</u>	<u>232</u>	<u>—</u>	<u>232</u>
Other income and (deductions)						
Interest expense	(80)	—	(80)	(76)	—	(76)
Other, net	5	—	5	6	—	6
Total other income and (deductions)	<u>(75)</u>	<u>—</u>	<u>(75)</u>	<u>(70)</u>	<u>—</u>	<u>(70)</u>
Income before income taxes	183	—	183	162	—	162
Income (benefit) taxes	72	—	72	66	—	66
Net income	<u>\$ 111</u>	<u>\$ —</u>	<u>\$ 111</u>	<u>\$ 96</u>	<u>\$ —</u>	<u>\$ 96</u>
	Six Months Ended June 30, 2014					
	GAAP (a)	Adjustments	Adjusted Non-GAAP	GAAP (a)	Adjustments	Adjusted Non-GAAP
Operating revenues	\$ 2,262	\$ —	\$ 2,262	\$ 2,239	\$ —	\$ 2,239
Operating expenses						
Purchased power	589	—	589	630	—	630
Operating and maintenance	681	—	681	687	—	687
Depreciation and amortization	347	—	347	337	—	337
Taxes other than income	149	—	149	145	—	145
Total operating expenses	<u>1,766</u>	<u>—</u>	<u>1,766</u>	<u>1,799</u>	<u>—</u>	<u>1,799</u>
Operating income	<u>496</u>	<u>—</u>	<u>496</u>	<u>440</u>	<u>—</u>	<u>440</u>
Other income and (deductions)						
Interest expense	(160)	—	(160)	(429)	288 (b)	(141)
Other, net	10	—	10	11	—	11
Total other income and (deductions)	<u>(150)</u>	<u>—</u>	<u>(150)</u>	<u>(418)</u>	<u>288</u>	<u>(130)</u>
Income before income taxes	346	—	346	22	288	310
Income taxes	137	—	137	8	117 (b)	125
Net income	<u>\$ 209</u>	<u>\$ —</u>	<u>\$ 209</u>	<u>\$ 14</u>	<u>\$ 171</u>	<u>\$ 185</u>

(a) Results reported in accordance with GAAP.

(b) Adjustment to exclude a non-cash charge to earnings resulting from the first quarter 2013 remeasurement of a like-kind exchange tax position taken on ComEd's 1999 sale of fossil generating assets.

EXELON CORPORATION
Reconciliation of Adjusted (non-GAAP) Operating Earnings to
GAAP Consolidated Statements of Operations
(unaudited)
(in millions)

	Three Months Ended June 30, 2014			PECO Three Months Ended June 30, 2013		
	GAAP (a)	Adjustments	Adjusted Non-GAAP	GAAP (a)	Adjustments	Adjusted Non-GAAP
Operating revenues	\$ 656	\$ —	\$ 656	\$ 672	\$ —	\$ 672
Operating expenses						
Purchased power and fuel	241	—	241	258	—	258
Operating and maintenance	184	—	184	181	(3)(b)	178
Depreciation and amortization	59	—	59	56	—	56
Taxes other than income	38	—	38	39	—	39
Total operating expenses	<u>522</u>	<u>—</u>	<u>522</u>	<u>534</u>	<u>(3)</u>	<u>531</u>
Operating income	<u>134</u>	<u>—</u>	<u>134</u>	<u>138</u>	<u>3</u>	<u>141</u>
Other income and (deductions)						
Interest expense	(28)	—	(28)	(28)	—	(28)
Other, net	1	—	1	—	—	—
Total other income and (deductions)	<u>(27)</u>	<u>—</u>	<u>(27)</u>	<u>(28)</u>	<u>—</u>	<u>(28)</u>
Income before income taxes	107	—	107	110	3	113
Income taxes	23	—	23	32	1 (b)	33
Net income	<u>84</u>	<u>—</u>	<u>84</u>	<u>78</u>	<u>2</u>	<u>80</u>
Preferred security dividends	—	—	—	6	—	6
Net income attributable to common shareholder	<u>\$ 84</u>	<u>\$ —</u>	<u>\$ 84</u>	<u>\$ 72</u>	<u>\$ 2</u>	<u>\$ 74</u>
	Six Months Ended June 30, 2014			Six Months Ended June 30, 2013		
	GAAP (a)	Adjustments	Adjusted Non-GAAP	GAAP (a)	Adjustments	Adjusted Non-GAAP
Operating revenues	\$ 1,649	\$ —	\$ 1,649	\$ 1,567	\$ —	\$ 1,567
Operating expenses						
Purchased power and fuel	705	—	705	664	—	664
Operating and maintenance	464	—	464	369	(5)(b)	364
Depreciation and amortization	117	—	117	113	—	113
Taxes other than income	80	—	80	80	—	80
Total operating expenses	<u>1,366</u>	<u>—</u>	<u>1,366</u>	<u>1,226</u>	<u>(5)</u>	<u>1,221</u>
Operating income	<u>283</u>	<u>—</u>	<u>283</u>	<u>341</u>	<u>5</u>	<u>346</u>
Other income and (deductions)						
Interest expense	—	—	—	(57)	—	(57)
Loss in equity method investments	(56)	—	(56)	—	—	—
Other, net	3	—	3	3	—	3
Total other income and (deductions)	<u>(53)</u>	<u>—</u>	<u>(53)</u>	<u>(54)</u>	<u>—</u>	<u>(54)</u>
Income before income taxes	230	—	230	287	5	292
Income taxes	57	—	57	87	2 (b)	89
Net income	<u>173</u>	<u>—</u>	<u>173</u>	<u>200</u>	<u>3</u>	<u>203</u>
Preferred security dividends and redemption	—	—	—	7	—	7
Net income attributable to common shareholder	<u>\$ 173</u>	<u>\$ —</u>	<u>\$ 173</u>	<u>\$ 193</u>	<u>\$ 3</u>	<u>\$ 196</u>

(a) Results reported in accordance with GAAP.

(b) Adjustment to exclude certain costs incurred associated with the Constellation merger, including employee-related expenses (e.g. severance, retirement, relocation and retention bonuses) and integration initiatives certain pre-acquisition contingencies.

EXELON CORPORATION
Reconciliation of Adjusted (non-GAAP) Operating Earnings to
GAAP Consolidated Statements of Operations
(unaudited)
(in millions)

	Three Months Ended June 30, 2014			BGE	Three Months Ended June 30, 2013		
	GAAP (a)	Adjustments	Adjusted Non-GAAP	GAAP (a)	Adjustments	Adjusted Non-GAAP	
Operating revenues	\$ 653	\$ —	\$ 653	\$ 653	\$ —	\$ 653	
Operating expenses							
Purchased power and fuel	268	—	268	288	—	288	
Operating and maintenance	188	—	188	160	(1)(b)	159	
Depreciation and amortization	89	—	89	82	—	82	
Taxes other than income	53	—	53	54	—	54	
Total operating expenses	<u>598</u>	<u>—</u>	<u>598</u>	<u>584</u>	<u>(1)</u>	<u>583</u>	
Operating income	<u>55</u>	<u>—</u>	<u>55</u>	<u>69</u>	<u>1</u>	<u>70</u>	
Other income and (deductions)							
Interest expense	(27)	—	(27)	(32)	—	(32)	
Other, net	5	—	5	4	—	4	
Total other income and (deductions)	<u>(22)</u>	<u>—</u>	<u>(22)</u>	<u>(28)</u>	<u>—</u>	<u>(28)</u>	
Income before income taxes	33	—	33	41	1	42	
Income taxes	14	—	14	16	— (b)	16	
Net income	<u>19</u>	<u>—</u>	<u>19</u>	<u>25</u>	<u>1</u>	<u>26</u>	
Preference stock dividends	3	—	3	3	—	3	
Net income attributable to common shareholders	<u>\$ 16</u>	<u>\$ —</u>	<u>\$ 16</u>	<u>\$ 22</u>	<u>\$ 1</u>	<u>\$ 23</u>	
	Six Months Ended June 30, 2014			Six Months Ended June 30, 2013			
	GAAP (a)	Adjustments	Adjusted Non-GAAP	GAAP (a)	Adjustments	Adjusted Non-GAAP	
Operating revenues	\$ 1,707	\$ —	\$ 1,707	\$ 1,533	\$ —	\$ 1,533	
Operating expenses							
Purchased power and fuel	797	—	797	713	—	713	
Operating and maintenance	376	—	376	303	6(b)	309	
Depreciation and amortization	197	—	197	175	—	175	
Taxes other than income	113	—	113	109	—	109	
Total operating expenses	<u>1,483</u>	<u>—</u>	<u>1,483</u>	<u>1,300</u>	<u>6</u>	<u>1,306</u>	
Operating income (loss)	<u>224</u>	<u>—</u>	<u>224</u>	<u>233</u>	<u>(6)</u>	<u>227</u>	
Other income and (deductions)							
Interest expense	(55)	—	(55)	(66)	—	(66)	
Other, net	9	—	9	9	—	9	
Total other income and (deductions)	<u>(46)</u>	<u>—</u>	<u>(46)</u>	<u>(57)</u>	<u>—</u>	<u>(57)</u>	
Income before income taxes	178	—	178	176	(6)	170	
Income taxes	72	—	72	70	(2)(b)	68	
Net income	<u>106</u>	<u>—</u>	<u>106</u>	<u>106</u>	<u>(4)</u>	<u>102</u>	
Preference stock dividends	6	—	6	6	—	6	
Net income attributable to common shareholders	<u>\$ 100</u>	<u>\$ —</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ (4)</u>	<u>\$ 96</u>	

(a) Results reported in accordance with GAAP.

(b) Adjustment to exclude certain costs incurred associated with the merger, including transaction costs, employee-related expenses (e.g. severance, retirement, relocation and retention bonuses) integration initiatives and certain pre-acquisition contingencies, partially offset in 2013 by a one-time benefit pursuant to the February 22, 2013 order for BGE's 2012 Maryland electric and natural gas distribution rates case for the recovery of previously incurred integration costs.

EXELON CORPORATION
Reconciliation of Adjusted (non-GAAP) Operating Earnings to
GAAP Consolidated Statements of Operations
(unaudited)
(in millions)

	Three Months Ended June 30, 2014			Other (a)	Three Months Ended June 30, 2013		
	GAAP (b)	Adjustments	Adjusted Non-GAAP		GAAP (b)	Adjustments	Adjusted Non-GAAP
Operating revenues	\$ (202)	\$ —	\$ (202)	\$ (334)	\$ 11(e)	\$ (323)	
Operating expenses							
Purchased power and fuel	(201)	—	(201)	(321)	—	(321)	
Operating and maintenance	26	(36)(c),(d)	(10)	3	(16)(d),(f)	(13)	
Depreciation and amortization	14	—	14	15	—	15	
Taxes other than income	7	—	7	6	—	6	
Total operating expenses	<u>(154)</u>	<u>(36)</u>	<u>(190)</u>	<u>(297)</u>	<u>(16)</u>	<u>(313)</u>	
Equity in earnings of unconsolidated affiliates	1	—	1	—	—	—	
Operating loss	<u>(47)</u>	<u>36</u>	<u>(11)</u>	<u>(37)</u>	<u>27</u>	<u>(10)</u>	
Other income and (deductions)							
Interest expense	(17)	8(c)	(9)	(23)	—	(23)	
Other, net	4	—	4	6	—	6	
Total other income and (deductions)	<u>(13)</u>	<u>8</u>	<u>(5)</u>	<u>(17)</u>	<u>—</u>	<u>(17)</u>	
Loss before income taxes	(60)	44	(16)	(54)	27	(27)	
Income (benefit) taxes	(31)	17(c),(d)	(14)	(24)	9(d),(e),(f),(g)	(15)	
Net loss	<u>\$ (29)</u>	<u>\$ 27</u>	<u>\$ (2)</u>	<u>\$ (30)</u>	<u>\$ 18</u>	<u>\$ (12)</u>	
	Six Months Ended June 30, 2014			Six Months Ended June 30, 2013 (b)			
	GAAP (c)	Adjustments	Adjusted Non-GAAP	GAAP (c)	Adjustments	Adjusted Non-GAAP	
Operating revenues	\$ (536)	\$ —	\$ (536)	\$ (719)	\$ (6)(e)	\$ (725)	
Operating expenses							
Purchased power and fuel	(530)	—	(530)	(721)	—	(721)	
Operating and maintenance	4	(35)(c),(d)	(31)	(5)	(17)(d),(f)	(22)	
Depreciation and amortization	27	—	27	27	—	27	
Taxes other than income	15	—	15	20	—	20	
Total operating expenses	<u>(484)</u>	<u>(35)</u>	<u>(519)</u>	<u>(679)</u>	<u>(17)</u>	<u>(696)</u>	
Operating loss	<u>(52)</u>	<u>35</u>	<u>(17)</u>	<u>(40)</u>	<u>11</u>	<u>(29)</u>	
Other income and (deductions)							
Interest expense	(22)	8(c)	(14)	(148)	81(g)	(67)	
Other, net	8	—	8	37	—	37	
Total other income and (deductions)	<u>(14)</u>	<u>8</u>	<u>(6)</u>	<u>(111)</u>	<u>81</u>	<u>(30)</u>	
Loss before income taxes	(66)	43	(23)	(151)	92	(59)	
Income taxes	(41)	20(c),(d),(e)	(21)	(19)	(10)(d),(e),(f),(g)	(29)	
Net loss	<u>\$ (25)</u>	<u>\$ 23</u>	<u>\$ (2)</u>	<u>\$ (132)</u>	<u>\$ 102</u>	<u>\$ (30)</u>	

- (a) Other primarily includes eliminating and consolidating adjustments, Exelon's corporate operations, shared service entities and other financing and investment activities.
- (b) Results reported in accordance with GAAP.
- (c) Adjustment to exclude certain costs incurred associated with the Pepco Holdings Inc. acquisition, including professional fees and upfront credit facility fees.
- (d) Adjustment to exclude a charge to earnings related to the impairment of investment in long-term leases in both 2014 and 2013.
- (e) Adjustment to exclude the mark-to-market impact of Exelon's economic hedging activities, net of intercompany eliminations.
- (f) Adjustment to exclude certain costs incurred associated with the Constellation merger, including transaction costs, employee-related expenses (e.g. severance, retirement, relocation and retention bonuses) integration initiatives and certain pre-acquisition contingencies.
- (g) Adjustment to exclude a non-cash charge to earnings resulting from the first quarter 2013 remeasurement of a like-kind exchange tax position taken on ComEd's 1999 sale of fossil generating assets.

EXELON CORPORATION
Exelon Generation Statistics
Six Months Ended June 30, 2014 and 2013

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Supply (in GWhs)		
Nuclear Generation		
Mid-Atlantic (a)	27,048	24,556
Midwest	45,844	46,076
New York (a)	3,766	—
Total Nuclear Generation	<u>76,658</u>	<u>70,632</u>
Fossil and Renewables (a)		
Mid-Atlantic	6,373	5,956
Midwest	736	899
New England	3,033	5,524
New York	2	—
ERCOT	3,208	2,350
Other (c)	3,670	3,685
Total Fossil and Renewables	<u>17,022</u>	<u>18,414</u>
Purchased Power		
Mid-Atlantic (b)	4,043	5,849
Midwest	1,231	3,203
New England	4,360	2,872
New York (b)	2,857	6,584
ERCOT	5,958	8,468
Other (c)	7,009	8,701
Total Purchased Power	<u>25,458</u>	<u>35,677</u>
Total Supply/Sales by Region (e)		
Mid-Atlantic (d)	37,464	36,361
Midwest (d)	47,811	50,178
New England	7,393	8,396
New York	6,625	6,584
ERCOT	9,166	10,818
Other (c)	10,679	12,386
Total Supply/Sales by Region	<u><u>119,138</u></u>	<u><u>124,723</u></u>

- (a) Includes the proportionate share of output where Generation has an undivided ownership interest in jointly-owned generating plants and includes the total output of plants that are fully consolidated (e.g. CENG). Nuclear generation for six months ended June 30, 2014 includes physical volumes of 3,780 GWh in Mid-Atlantic and 3,766 GWh in New York for CENG.
- (b) Purchased power includes physical volumes of 2,489 GWh and 5,702 GWh in the Mid-Atlantic and 2,857 GWh and 5,966 GWh in New York as a result of the PPA with CENG for the six months ended June 30, 2014 and 2013, respectively.
- (c) Other Regions includes South, West and Canada, which are not considered individually significant.
- (d) Includes affiliate sales to PECO and BGE in the Mid-Atlantic region and affiliate sales to ComEd in the Midwest region.
- (e) Total sales do not include physical proprietary trading volumes of 5,123 GWh and 3,567 GWh for the six months ended June 30, 2014 and 2013, respectively.

EXELON CORPORATION
ComEd Statistics
Three Months Ended June 30, 2014 and 2013

	Electric Deliveries (in GWhs)				Revenue (in millions)		
	2014	2013	% Change	Weather-Normal % Change	2014	2013	% Change
Retail Deliveries and Sales (a)							
Residential	6,177	6,090	1.4%	1.1%	\$ 499	\$ 476	4.8%
Small Commercial & Industrial	7,759	7,832	(0.9)%	(1.3)%	340	315	7.9%
Large Commercial & Industrial	6,769	6,711	0.9%	0.5%	113	113	0.0%
Public Authorities & Electric Railroads	304	294	3.4%	5.7%	12	12	0.0%
Total Retail	<u>21,009</u>	<u>20,927</u>	0.4%	0.0%	<u>964</u>	<u>916</u>	5.2%
Other Revenue (b)					164	164	0.0%
Total Electric Revenue					<u>\$1,128</u>	<u>\$1,080</u>	4.4%
Purchased Power					<u>\$ 269</u>	<u>\$ 248</u>	8.5%

	2014	2013	Normal	% Change	
				From 2013	From Normal
Heating and Cooling Degree-Days					
Heating Degree-Days	695	778	765	(10.7)%	(9.2)%
Cooling Degree-Days	259	240	218	7.9%	18.8%

Six Months Ended June 30, 2014 and 2013

	Electric Deliveries (in GWhs)				Revenue (in millions)		
	2014	2013	% Change	Weather-Normal % Change	2014	2013	% Change
Retail Deliveries and Sales (a)							
Residential	13,587	12,966	4.8%	1.5%	\$1,007	\$1,060	(5.0)%
Small Commercial & Industrial	16,090	15,705	2.5%	0.5%	684	623	9.8%
Large Commercial & Industrial	13,864	13,551	2.3%	0.8%	229	215	6.5%
Public Authorities & Electric Railroads	701	667	5.1%	5.5%	24	24	0.0%
Total Retail	<u>44,242</u>	<u>42,889</u>	3.2%	0.9%	<u>1,944</u>	<u>1,922</u>	1.1%
Other Revenue (b)					318	317	0.3%
Total Electric Revenue					<u>\$2,262</u>	<u>\$2,239</u>	1.0%
Purchased Power					<u>\$ 589</u>	<u>\$ 630</u>	(6.5)%

	2014	2013	Normal	% Change	
				From 2013	From Normal
Heating and Cooling Degree-Days					
Heating Degree-Days	4,569	4,037	3,929	13.2%	16.3%
Cooling Degree-Days	259	240	218	7.9%	18.8%

Number of Electric Customers

	2014	2013
Residential	3,487,337	3,465,712
Small Commercial & Industrial	367,354	366,153
Large Commercial & Industrial	2,025	2,006
Public Authorities & Electric Railroads	4,827	4,852
Total	<u>3,861,543</u>	<u>3,838,723</u>

- (a) Reflects delivery volumes and revenues from customers purchasing electricity directly from ComEd and customers purchasing electricity from a competitive electric generation supplier, as all customers are assessed delivery charges. For customers purchasing electricity from ComEd, revenue also reflects the cost of energy and transmission.
- (b) Other revenue primarily includes transmission revenue from PJM. Other items include rental revenues, revenues related to late payment charges, revenues from other utilities for mutual assistance programs and recoveries of environmental costs associated with MGP sites.

EXELON CORPORATION
PECO Statistics
Three Months Ended June 30, 2014 and 2013

	Electric and Gas Deliveries				Revenue (in millions)		
	2014	2013	% Change	Weather-Normal % Change	2014	2013	% Change
Electric (in GWhs)							
Retail Deliveries and Sales (a)							
Residential	2,801	2,888	(3.0)%	1.6%	\$338	\$354	(4.5)%
Small Commercial & Industrial	1,947	1,960	(0.7)%	0.7%	101	109	(7.3)%
Large Commercial & Industrial	3,741	3,784	(1.1)%	(0.6)%	54	61	(11.5)%
Public Authorities & Electric Railroads	222	238	(6.8)%	(6.8)%	8	8	0.0%
Total Retail	8,711	8,870	(1.8)%	0.2%	501	532	(5.8)%
Other Revenue (b)							
Total Electric Revenue					559	585	(4.4)%
Gas (in mmcfs)							
Retail Deliveries and Sales							
Retail Sales (c)	7,424	6,919	7.3%	3.9%	88	78	12.8%
Transportation and Other	6,005	5,956	0.8%	(0.8)%	9	9	0.0%
Total Gas	13,429	12,875	4.3%	1.4%	97	87	11.5%
Total Electric and Gas Revenues					\$656	\$672	(2.4)%
Purchased Power and Fuel							
					\$241	\$258	(6.6)%
Heating and Cooling Degree-Days							
		2014	2013	Normal	% Change		
Heating Degree-Days		393	421	463	From 2013	From Normal	
Cooling Degree-Days		375	418	348	(6.7)%	(15.1)%	
					(10.3)%	7.8%	

Six Months Ended June 30, 2014 and 2013

	Electric and Gas Deliveries				Revenue (in millions)		
	2014	2013	% Change	Weather-Normal % Change	2014	2013	% Change
Electric (in GWhs)							
Retail Deliveries and Sales (a)							
Residential	6,649	6,353	4.7%	1.5%	\$ 782	\$ 749	4.4%
Small Commercial & Industrial	4,002	3,969	0.8%	0.1%	212	215	(1.4)%
Large Commercial & Industrial	7,518	7,430	1.2%	0.7%	117	120	(2.5)%
Public Authorities & Electric Railroads	481	493	(2.4)%	(2.4)%	16	16	0.0%
Total Retail	18,650	18,245	2.2%	0.8%	1,127	1,100	2.5%
Other Revenue (b)							
Total Electric Revenue					109	108	0.9%
Gas (in mmcfs)							
Retail Deliveries and Sales							
Retail Sales (c)	40,594	35,357	14.8%	1.4%	390	338	15.4%
Transportation and Other	14,374	14,839	(3.1)%	(4.5)%	23	21	9.5%
Total Gas	54,968	50,196	9.5%	(1.6)%	413	359	15.0%
Total Electric and Gas Revenues					\$1,649	\$1,567	5.2%
Purchased Power and Fuel							
					\$ 705	\$ 664	6.2%
Heating and Cooling Degree-Days							
		2014	2013	Normal	% Change		
Heating Degree-Days		3,237	2,861	2,939	From 2013	From Normal	
Cooling Degree-Days		375	418	348	13.1%	10.1%	
					(10.3)%	7.8%	

	Number of Electric Customers		Number of Gas Customers		
	2014	2013	2014	2013	
Residential	1,428,080	1,419,977	Residential	459,407	455,518
Small Commercial & Industrial	149,259	148,723	Commercial & Industrial	42,042	41,648
Large Commercial & Industrial	3,108	3,109	Total Retail	501,449	497,166
Public Authorities & Electric Railroads	9,712	9,672	Transportation	882	903
Total	1,590,159	1,581,481	Total	502,331	498,069

- (a) Reflects delivery volumes and revenues from customers purchasing electricity directly from PECO and customers purchasing electricity from a competitive electric generation supplier as all customers are assessed distribution charges. For customers purchasing electricity from PECO, revenue also reflects the cost of energy and transmission.
- (b) Other revenue includes transmission revenue from PJM and wholesale electric revenues.
- (c) Reflects delivery volumes and revenues from customers purchasing natural gas directly from PECO and customers purchasing natural gas from a competitive natural gas supplier as all customers are assessed distribution charges. For customers purchasing natural gas from PECO, revenue also reflects the cost of natural gas.

EXELON CORPORATION
BGE Statistics
Three Months Ended June 30, 2014 and 2013

	Electric and Gas Deliveries			Revenue (in millions)		
	2014	2013	% Change	2014	2013	% Change
Electric (in GWhs)						
Retail Deliveries and Sales (a)						
Residential	2,639	2,757	(4.3)%	\$293	\$302	(3.0)%
Small Commercial & Industrial	704	716	(1.7)%	64	60	6.7%
Large Commercial & Industrial	3,593	3,610	(0.5)%	120	112	7.1%
Public Authorities & Electric Railroads	79	80	(1.3)%	8	8	0.0%
Total Retail	<u>7,015</u>	<u>7,163</u>	(2.1)%	<u>485</u>	<u>482</u>	0.6%
Other Revenue (b)						
Total Electric Revenue				<u>67</u>	<u>61</u>	9.8%
				<u>552</u>	<u>543</u>	1.7%
Gas (in mmcfs)						
Retail Deliveries and Sales (c)						
Retail Sales	14,834	14,951	(0.8)%	92	100	(8.0)%
Transportation and Other (d)	875	1,545	(43.4)%	9	10	(10.0)%
Total Gas	<u>15,709</u>	<u>16,496</u>	(4.8)%	<u>101</u>	<u>110</u>	(8.2)%
Total Electric and Gas Revenues				<u>\$653</u>	<u>\$653</u>	0.0%
Purchased Power and Fuel				<u>\$268</u>	<u>\$288</u>	(6.9)%
% Change						
Heating and Cooling Degree-Days						
	2014	2013	Normal	From 2013	From Normal	
Heating Degree-Days	497	492	513	1.0%	(3.1)%	
Cooling Degree-Days	233	263	252	(11.4)%	(7.5)%	

Six Months Ended June 30, 2014 and 2013

	Electric and Gas Deliveries			Revenue (in millions)		
	2014	2013	% Change	2014	2013	% Change
Electric (in GWhs)						
Retail Deliveries and Sales (a)						
Residential	6,732	6,293	7.0%	\$ 729	\$ 667	9.3%
Small Commercial & Industrial	1,538	1,492	3.1%	136	125	8.8%
Large Commercial & Industrial	7,062	7,164	(1.4)%	243	217	12.0%
Public Authorities & Electric Railroads	157	161	(2.5)%	16	15	6.7%
Total Retail	<u>15,489</u>	<u>15,110</u>	2.5%	<u>1,124</u>	<u>1,024</u>	9.8%
Other Revenue (b)						
Total Electric Revenue				<u>138</u>	<u>124</u>	11.3%
				<u>1,262</u>	<u>1,148</u>	9.9%
Gas (in mmcfs)						
Retail Deliveries and Sales (c)						
Retail Sales	61,222	55,212	10.9%	377	345	9.3%
Transportation and Other (d)	7,204	7,195	0.1%	68	40	70.0%
Total Gas	<u>68,426</u>	<u>62,407</u>	9.6%	<u>445</u>	<u>385</u>	15.6%
Total Electric and Gas Revenues				<u>\$1,707</u>	<u>\$1,533</u>	11.4%
Purchased Power and Fuel				<u>\$ 797</u>	<u>\$ 713</u>	11.8%
% Change						
Heating and Cooling Degree-Days						
	2014	2013	Normal	From 2013	From Normal	
Heating Degree-Days	3,358	2,943	2,900	14.1%	15.8%	
Cooling Degree-Days	233	264	255	(11.7)%	(8.6)%	

	Number of Electric Customers		Number of Gas Customers		
	2014	2013	2014	2013	
Residential	1,123,804	1,117,569	Residential	612,202	611,146
Small Commercial & Industrial	112,827	113,009	Commercial & Industrial	44,019	44,059
Large Commercial & Industrial	11,660	11,612	Total Retail	656,221	655,205
Public Authorities & Electric Railroads	290	294	Transportation	—	—
Total	<u>1,248,581</u>	<u>1,242,484</u>	Total	<u>656,221</u>	<u>655,205</u>

- (a) Reflects delivery volumes and revenues from customers purchasing electricity directly from BGE and customers purchasing electricity from a competitive electric generation supplier as all customers are assessed distribution charges. For customers purchasing electricity from BGE, revenue also reflects the cost of energy and transmission.
- (b) Other revenue includes wholesale transmission revenue and late payment charges.
- (c) Reflects delivery volumes and revenues from customers purchasing natural gas directly from BGE and customers purchasing natural gas from a competitive natural gas supplier as all customers are assessed distribution charges. For customers purchasing natural gas from BGE, revenue also reflects the cost of natural gas.
- (d) Transportation and other gas revenue includes off-system revenue of 875 mmcfs (\$5 million) and 1,545 mmcfs (\$8 million) for the three months ended June 30, 2014 and 2013, respectively, and 7,204 mmcfs (\$58 million) and 7,195 mmcfs (\$32 million) for the six months ended June 30, 2014 and 2013, respectively.

Earnings Conference Call 2nd Quarter 2014

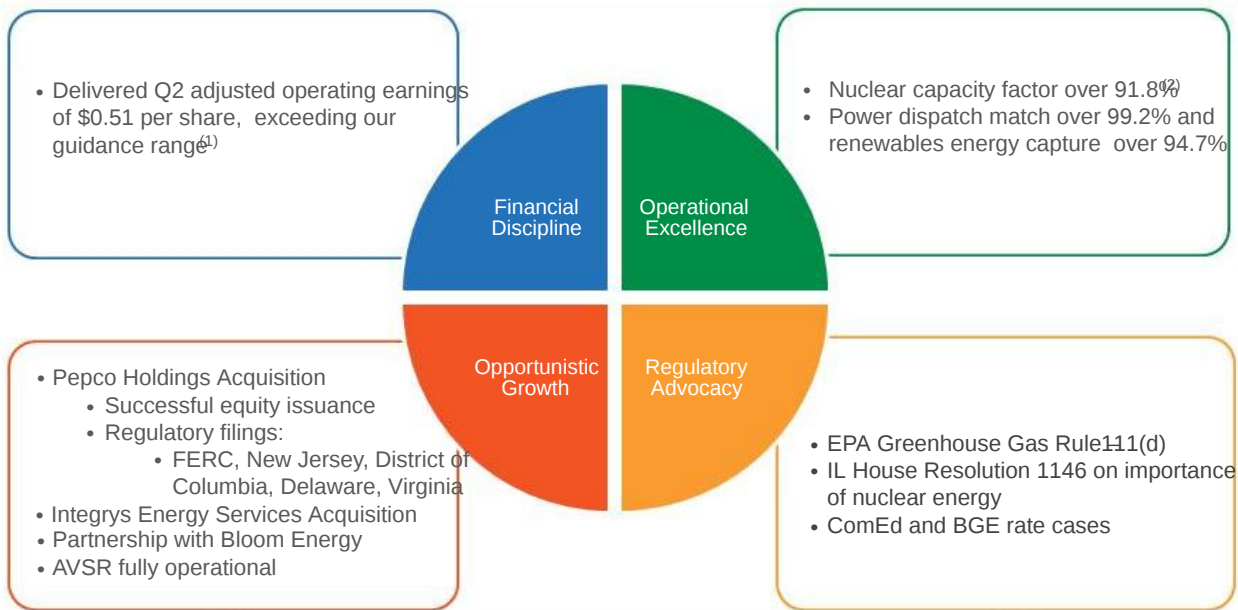
July 31, 2014



Cautionary Statements Regarding Forward-Looking Information

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from the forward-looking statements made by Exelon Corporation, Commonwealth Edison Company, PECO Energy Company, Baltimore Gas and Electric Company, Exelon Generation Company, LLC (Registrants) include those factors discussed herein, as well as the items discussed in (1) Exelon's 2013 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 22; (2) Exelon's Second Quarter 2014 Quarterly Report on Form 10-Q (to be filed on July 31, 2014) in (a) Part II, Other Information, ITEM 1A. Risk Factors; (b) Part 1, Financial Information, ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, Financial Information, ITEM 1. Financial Statements: Note 17; and (3) other factors discussed in filings with the SEC by the Registrants. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. None of the Registrants undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this presentation.

Q2 2014 in Review



2014 Expectations:

- Deliver adjusted operating earnings range of \$0.60 to \$0.70/share for Q3 2014
- On-track to achieve full-year operating earnings within guidance range of \$2.25-\$2.55/share as disclosed on Q4 2013 earnings call ⁽³⁾

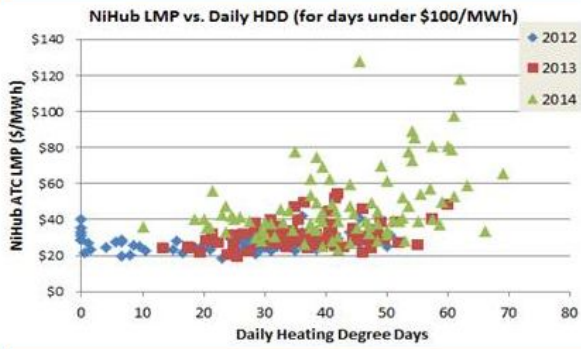
(1) Represents adjusted (non-GAAP) operating EPS. Refer to the Earnings Release Attachments for additional details and to the Appendix for a reconciliation of adjusted (non-GAAP) operating EPS to GAAP EPS

(2) Exelon operated plants at ownership including CENG. For comparability, Exelon plants excluding CENG had a 92.5% capacity factor

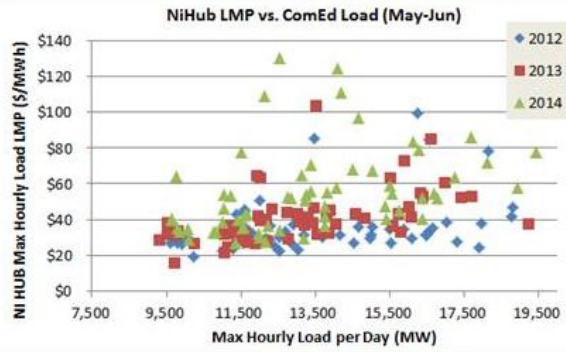
(3) 2014 earnings guidance based on expected average outstanding shares of ~860M

2014 Spot and Forward Market Volatility

Q1 Spot Price Volatility



Q2 Spot Price Volatility ⁽¹⁾



Significant volatility and higher prices year over year during Q1 and Q2 of 2014

- During the first quarter, the polar vortex resulted in some extreme conditions and we saw spot prices in PJM reflecting the changing nature of the grid and new reliance on different resources such as NG supply, demand response, and oil peakers
- During the second quarter, we saw continued volatility especially in the higher load ranges
 - Higher peak prices have led to higher average cleared LMP's compared to the past two years
- Continuous strength and liquidity in the spot market carried into the forward power market especially for 2015-2016

July weakness on the back of an unusually mild summer

- Month-to-date CDDs are trending approximately 10% below normal nationally, and 35% in Chicago (NiHub)
- July spot prices at PJM W and NiHub have cleared lower compared to the previous two years reflecting the lack of weather-related demand
- Forward power and gas prices have also pulled back

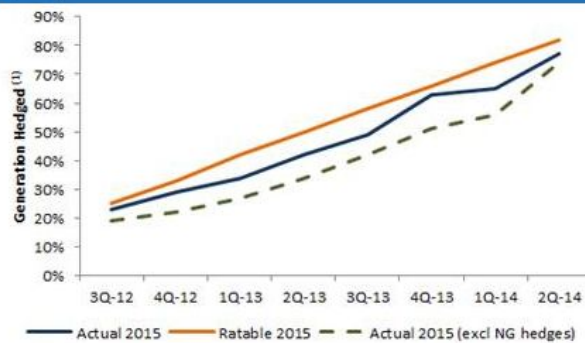
(1) April data excluded; differences in unit outages during the month of April distort year-over-year comparisons

Forward Markets and Hedging Activity

Forward markets continued their upward trend in Q2



2015: Took profit on our open position as prices moved up



Impacts on Forward Markets

- Forward markets have a tendency to reflect spot market activity
- While forward hub natural gas prices stayed relatively flat, power prices continued to trade higher during the second quarter and as a result heat rates expanded further in 2015 and 2016
- Increased volatility led to greater market liquidity
- During July we have seen forward markets soften; our fundamental view of power upside remains in certain months/seasons in 2015

Impacts of our view on our hedging activity

- Over the past several quarters we positioned the portfolio to increase our exposure to power price upside relative to ratable
- In response to the power price and heat rate moves during the second quarter, we switched our strategy from behind ratable to closer to ratable and we also reduced our cross-commodity position
- When considering our move back to ratable and the reduction in our gas hedges we lowered our total portfolio power exposure by over 15% quarter-over-quarter
- Increased market volatility has led to improved margins in the wholesale and retail load business

Locked in profit during Q2, and reduced power price exposure by over 15% and 10% respectively for 2015 and 2016

(1) Mid-point of disclosed total portfolio hedge % range was used

Exelon Generation: Gross Margin Update

Gross Margin Category (\$M) ⁽¹⁾	June 30, 2014			Change from March 31, 2014		
	2014	2015	2016	2014	2015	2016
Open Gross Margin ⁽²⁾ (including South, West, Canada hedged gross margin)	7,500	6,800	6,850	150	450	600
Mark-to-Market of Hedges ^(3,4)	(700)	50	50	-	(50)	(50)
Power New Business / To Go	150	500	550	(100)	(100)	(100)
Non-Power Margins Executed	300	100	50	50	-	-
Non-Power New Business / To Go	100	300	350	(50)	-	-
Total Gross Margin⁽²⁾	7,350	7,750	7,850	50	300	450

Recent Developments

- Continued market volatility allowed us to execute on a significant piece of our new business targets bringing us closer to our ratable strategy
- In Q2 we saw both spot and forward prices trading higher than in previous years
- The return of volatility to the markets has led to more appropriate pricing of risk premiums

(1) Gross margin categories rounded to nearest \$50M

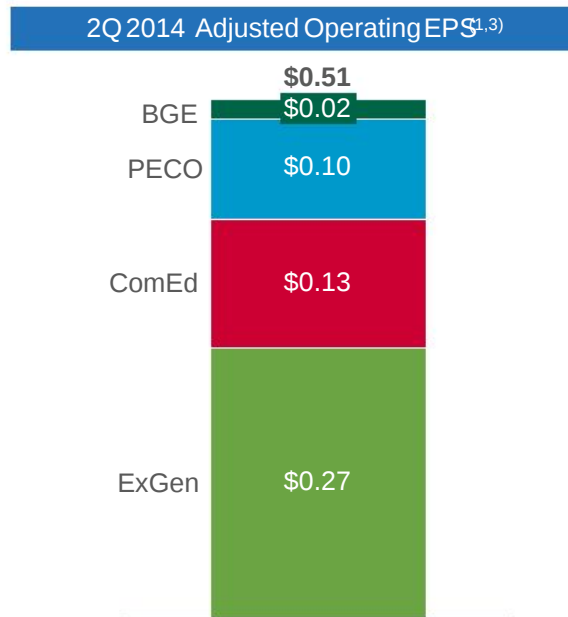
(2) Total Gross Margin (Non-GAAP) is defined as operating revenues less purchased power and fuel expense, excluding revenue related to decommissioning, gross receipts tax, Exelon Nuclear Partners and variable interest entities. Total Gross Margin is also net of direct cost of sales for certain Constellation businesses. See Slide 24 for a Non-GAAP to GAAP reconciliation of Total Gross Margin

(3) Includes Exelon's equity ownership share of the CENG Joint Venture

(4) Mark to Market of Hedges assumes mid-point of hedge percentages

Key Financial Messages

- Delivered adjusted (non-GAAP) operating earnings in Q2 of \$0.51/share exceeding our guidance range of \$0.40-\$0.50/share
- Utilities:
 - Increased distribution revenue
- ExGen
 - Lower realized energy prices
 - Increased capacity pricing
 - Elimination of DOE nuclear waste fee



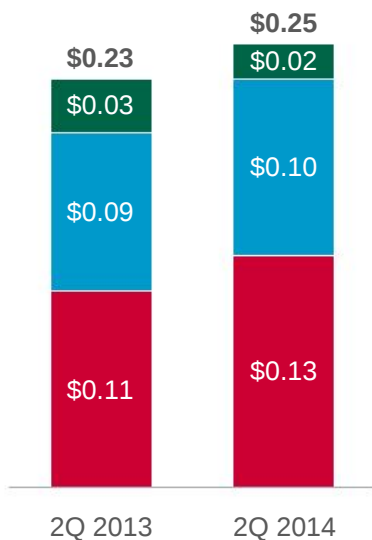
Expect Q3 2014 earnings of \$0.60 - \$0.70/share and re-affirm full-year guidance range of \$2.25 - \$2.55/share ⁽²⁾

(1) Refer to the Earnings Release Attachments for additional details and to the Appendix for a reconciliation of adjusted (non-GAAP) operating EPS to GAAP EPS
 (2) 2014 earnings guidance based on expected average outstanding shares of ~860M
 (3) Amounts may not add due to rounding



Exelon Utilities Adjusted Operating EPS Contribution⁽¹⁾

■ BGE ■ PECO ■ ComEd



Key Drivers – 2Q14 vs. 2Q13:

BGE(-0.01):

- Increased O&M costs, primarily due to bad debt expense and labor, contracting, and materials: \$(0.02)
- Distribution revenue due to rate cases: \$0.01

PECO (+0.01):

- Decreased income tax expense due to an increase in electric tax repairs deduction: \$0.01

ComEd(+0.02):

- Increased distribution earnings due to increased capital investment⁽²⁾: \$0.01

(1) Refer to the Earnings Release Attachments for additional details and to the Appendix for a reconciliation of adjusted (non-GAAP) operating EPS to GAAP EPS
 (2) Due to the distribution formula rate, changes in ComEd's earnings are driven primarily by changes in 30-year U.S. Treasury rates (allowed ROE), rate base and capital structure in addition to weather, load and changes in customer mix

Note: Numbers may not add due to rounding

2014 Projected Sources and Uses of Cash

Projected Sources & Uses⁽¹⁾

Key Messages⁽¹⁾

(\$ in millions) BGE ComEd PECO ExGen Exelon⁽²⁾ As of 1Q14 Variance

	BGE	ComEd	PECO	ExGen	Exelon ⁽²⁾	As of 1Q14	Variance
Beginning Cash Balance						1,475	1,475
Adjusted Cash Flow from Operations	650	1,575	625	4,200	6,975	6,200	775
CapEx (excluding other items below)	(625)	(1,500)	(525)	(1,150)	(3,450)	(3,475)	25
Nuclear Fuel	n/a	n/a	n/a	(1,000)	(1,000)	(975)	(25)
Dividend ⁽⁵⁾					(1,075)	(1,075)	—
Nuclear Upgrades	n/a	n/a	n/a	(150)	(150)	(150)	—
Wind	n/a	n/a	n/a	(75)	(75)	(75)	—
Solar	n/a	n/a	n/a	(200)	(200)	(200)	—
Upstream	n/a	n/a	n/a	(50)	(50)	(50)	—
Utility Smart Grid/Smart Meter	(75)	(275)	(150)	n/a	(525)	(450)	(75)
Net Financing (excluding Dividend):							
Debt Issuances	—	950	300	—	1,250	1,250	—
Debt Retirements	—	(625)	(250)	(525)	(1,375)	(1,375)	—
Project Finance/Federal Financing Bank Loan	n/a	n/a	n/a	875	875	675	200
Other Financing ⁽⁶⁾	(50)	200	125	(425)	575	(300)	875
Ending Cash Balance						3,250	1,775

• Cash from Operations is projected to be \$6,975M vs. 1Q14E of \$6,200M for a \$775M variance. This variance is driven by:

- \$400M Net proceeds from divestitures
- \$300M Income taxes and settlements
- \$150M Decreased OPEB contributions (primarily ComEd and ExGen)
- (\$125M) Purchase of PHI preferred stock
- \$75M Working capital and regulatory assets at Utilities

• Cash from Investing activities is projected to be (\$5,450M) vs. 1Q14E of (\$5,375M) for a (\$75M) variance.

• Cash from Financing activities is projected to be \$250M vs. 1Q14E of (\$825M) for a \$1,075M variance. This variance is driven by:

- \$1,125 Net proceeds from issuance of mandatory convertible units
- \$200M Incremental project financing at ExGen
- (\$150M) Decrease in projected commercial paper financing

(1) All amounts rounded to the nearest \$25M.

(2) Excludes counterparty collateral of \$134 million at 12/31/2013. In addition, the 12/31/2014 ending cash balance does not include collateral.

(3) Includes cash flow activity from Holding Company, eliminations, and other corporate entities. CapEx for Exelon is shown net of \$325M CPS early lease termination fee.

(4) Adjusted Cash Flow from Operations (non-GAAP) primarily includes net cash flows from operating activities and net cash flows from investing activities excluding capital expenditures of \$5.4B for 2014.

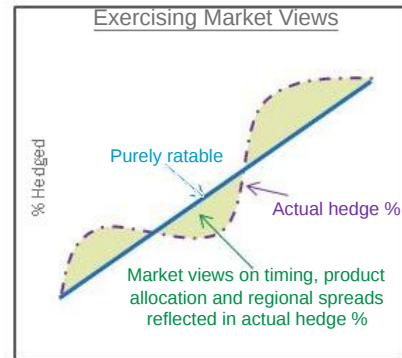
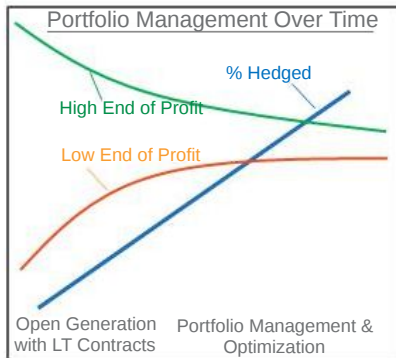
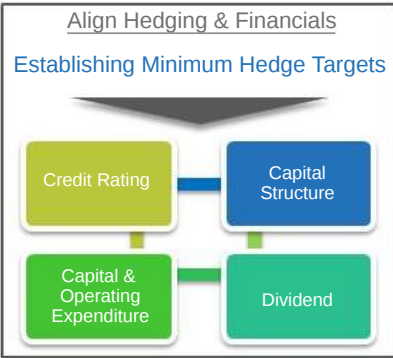
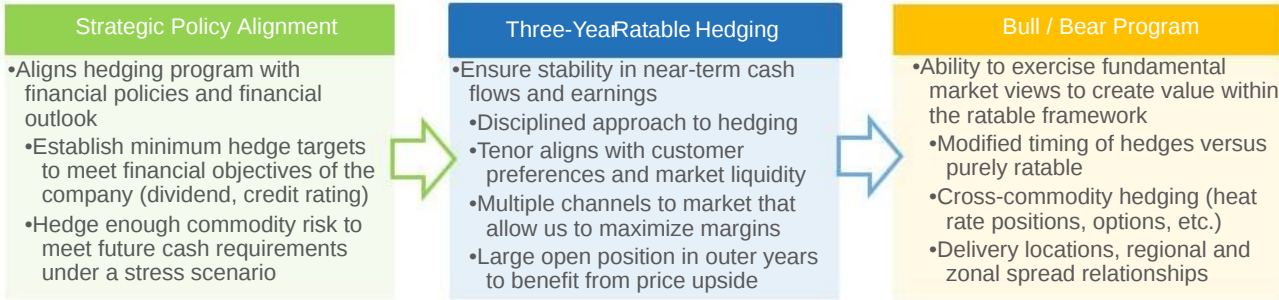
(5) Dividends are subject to declaration by the Board of Directors.

(6) *Other Financing primarily includes CENG distribution to EDF, expected changes in short-term debt, and proceeds from issuance of mandatory convertible units.

Exelon Generation Disclosures

June 30, 2014

Portfolio Management Strategy

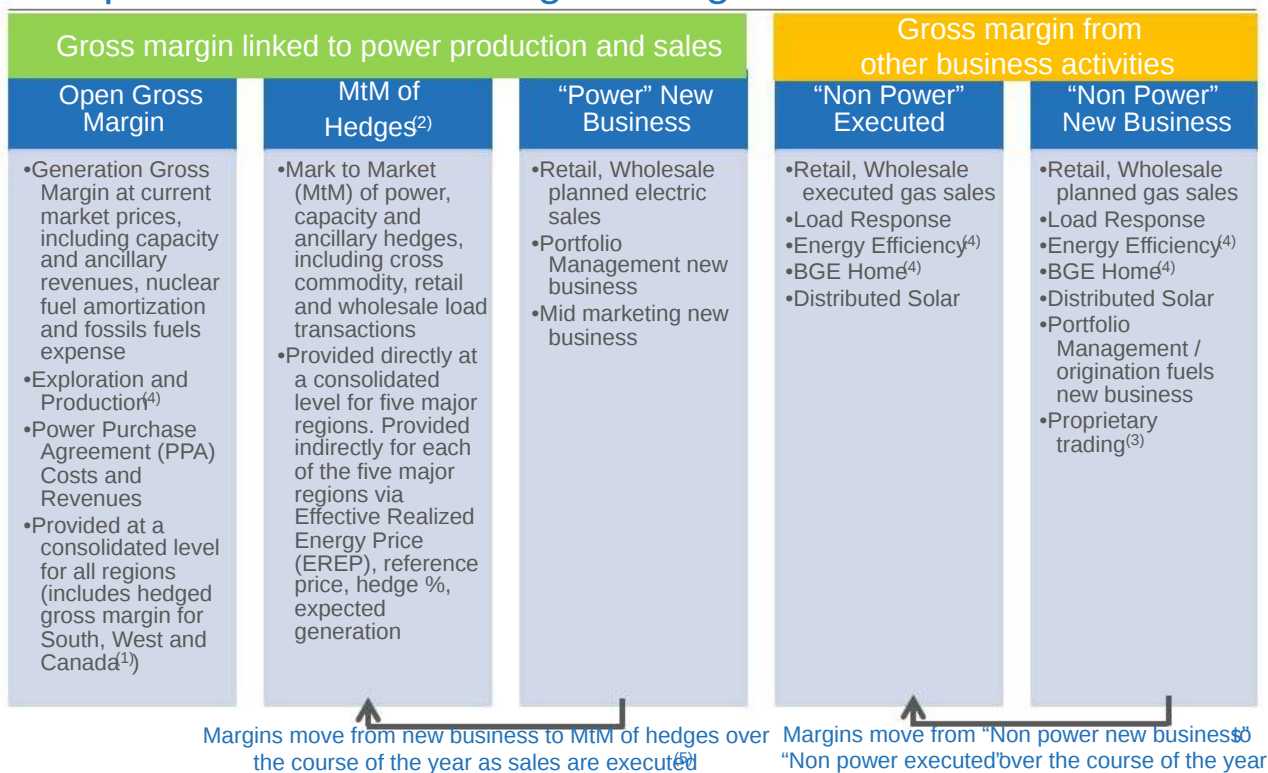


Protect Balance Sheet

Ensure Earnings Stability

Create Value

Components of Gross Margin Categories



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



ExGen Disclosures

Gross Margin Category (\$M) ⁽¹⁾	2014	2015	2016
Open Gross Margin (including South, West & Canada hedged G ⁽¹⁾)	7,500	6,800	6,850
Mark to Market of Hedges ^(3,4)	(700)	50	50
Power New Business / To Go	150	500	550
Non-Power Margins Executed	300	100	50
Non-Power New Business / To Go	100	300	350
Total Gross Margin⁽²⁾	7,350	7,750	7,850

Reference Prices ⁽⁵⁾	2014	2015	2016
HenryHub Natural Gas (\$/MMbtu)	\$4.63	\$4.22	\$4.24
Midwest: NiHub ATC prices (\$/MWh)	\$41.12	\$33.95	\$34.78
Mid-Atlantic: PJM-W ATC prices (\$/MWh)	\$54.47	\$42.26	\$41.36
ERCOT-N ATC Spark Spread (\$/MWh) <i>HSC Gas, 7.2HR, \$2.50 VOM</i>	\$5.02	\$6.33	\$6.34
New York: NY Zone A (\$/MWh)	\$51.49	\$40.99	\$39.51
New England: Mass Hub ATC Spark Spread(\$/MWh) <i>ALQN Gas, 7.5HR, \$0.50 VOM</i>	\$3.68	\$5.56	\$4.33

(1) Gross margin categories rounded to nearest \$50M

(2) Total Gross Margin (Non-GAAP) is defined as operating revenues less purchased power and fuel expense, excluding revenue related to decommissioning, gross receipts tax, Exelon Nuclear Partners and variable interest entities. Total Gross Margin is also net of direct cost of sales for certain Constellation businesses. See Slide 24 for a Non-GAAP to GAAP reconciliation of Total Gross Margin

(3) Includes Exelon's equity ownership share of the CENG Joint Venture

(4) Mark to Market of Hedges assumes mid-point of hedge percentages

(5) Based on June 30, 2014 market conditions

ExGen Disclosures

Generation and Hedges	2014	2015	2016
Expected Generation (GW⁽¹⁾)	208,100	203,700	205,400
Midwest	97,200	96,800	97,900
Mid-Atlantic ⁽²⁾	74,600	70,600	71,700
ERCOT	14,300	18,100	19,000
New York ⁽²⁾	12,700	9,400	9,300
New England	9,300	8,800	7,500
% of Expected Generation Hedged⁽³⁾	92-95%	75-78%	46-49%
Midwest	95-98%	76-79%	45-48%
Mid-Atlantic ⁽²⁾	88-91%	73-76%	45-48%
ERCOT	97-100%	79-82%	56-59%
New York ⁽²⁾	97-100%	68-71%	68-71%
New England	88-91%	76-79%	29-32%
Effective Realized Energy Price (\$/MWh⁽⁴⁾)			
Midwest	\$37.00	\$33.50	\$35.00
Mid-Atlantic ⁽²⁾	\$48.50	\$43.50	\$43.50
ERCOT ⁽⁵⁾	\$14.50	\$8.00	\$5.00
New York ⁽²⁾	\$43.50	\$43.00	\$39.00
New England ⁽⁵⁾	\$8.50	\$7.00	\$3.00

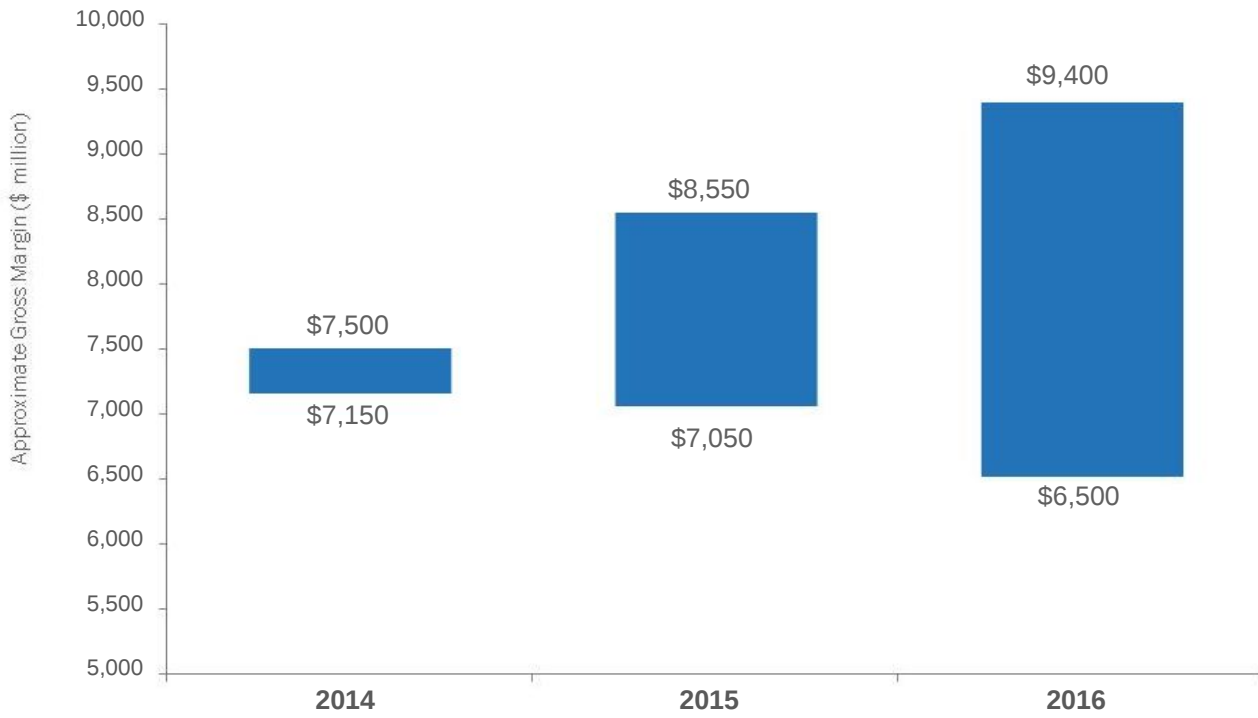
(1) Expected generation represents the amount of energy estimated to be generated or purchased through owned or contracted for capacity. Expected generation is based upon a simulated dispatch model that makes assumptions regarding future market conditions, which are calibrated to market quotes for power, fuel, load following products, and options. Expected generation assumes 14 refueling outages in 2014 and 2015 and 12 refueling outages in 2016 at Exelon-operated nuclear plants, and Salem. Expected generation assumes capacity factors of 93.5%, 93.5% and 93.7% in 2014, 2015 and 2016 at Exelon-operated nuclear plants, at ownership. These estimates of expected generation in 2015 and 2016 do not represent guidance or a forecast of future results as Exelon has not completed its planning or optimization processes for those years. (2) Includes Exelon's equity ownership share of CENG Joint Venture. (3) Percent of expected generation hedged is the amount of equivalent sales divided by expected generation. Includes all hedging products, such as wholesale and retail sales of power, options and swaps. Uses expected value on options. (4) Effective realized energy price is representative of an all-in hedged price, on a per MWh basis, at which expected generation has been hedged. It is developed by considering the energy revenues and costs associated with our hedges and by considering the fossil fuel that has been purchased to lock in margin. It excludes uranium costs and RPM capacity revenue, but includes the mark-to-market value of capacity contracted at prices other than RPM clearing prices including our load obligations. It can be compared with the reference prices used to calculate open gross margin in order to determine the mark-to-market value of Exelon Generation's energy hedges. (5) Spark spreads shown for ERCOT and New England.

ExGen Hedged Gross Margin Sensitivities

Gross Margin Sensitivities (With Existing Hedges) ^(1, 2)	2014	2015	2016
Henry Hub Natural Gas (\$/Mmbtu)			
+ \$1/Mmbtu	\$10	\$190	\$415
- \$1/Mmbtu	\$(30)	\$(125)	\$(370)
NiHub ATC Energy Price			
+ \$5/MWh	\$5	\$150	\$300
- \$5/MWh	\$(5)	\$(145)	\$(300)
PJM-W ATC Energy Price			
+ \$5/MWh	\$5	\$85	\$195
- \$5/MWh	\$-	\$(75)	\$(190)
NYPP Zone A ATC Energy Price			
+ \$5/MWh	\$5	\$15	\$15
- \$5/MWh	\$(5)	\$(15)	\$(15)
Nuclear Capacity Factor ⁽³⁾			
+/- 1%	+/- \$30	+/- \$50	+/- \$50

(1) Based on June 30, 2014 market conditions and hedged position. Gas price sensitivities are based on an assumed gas-power relationship derived from an internal model that is updated periodically. Power prices sensitivities are derived by adjusting the power price assumption while keeping all other price inputs constant. Due to correlation of the various assumptions, the hedged gross margin impact calculated by aggregating individual sensitivities may not be equal to the hedged gross margin impact calculated when correlations between the various assumptions are also considered. (2) Sensitivities based on commodity exposure which includes open generation and all committed transactions. (3) Includes Exelon's equity ownership share of the CENG Joint Venture.

ExGen Hedged Gross Margin Upside/Risk



Illustrative Example of Modeling Exelon Generation 2015 Gross Margin

Row	Item	Midwest	Mid-Atlantic	ERCOT	New York	New England	South, West & Canada
(A)	Start with fleet-wide open gross margin	← \$6.80 billion →					
(B)	Expected Generation (TWh)	96.8	70.6	18.1	9.4	8.8	
(C)	Hedge % (assuming mid-point of range)	77.5%	74.5%	80.5%	69.5%	77.5%	
(D=B*C)	Hedged Volume (TWh)	75.0	52.6	14.6	6.5	6.8	
(E)	Effective Realized Energy Price (\$/MWh)	\$33.50	\$43.50	\$8.00	\$43.00	\$7.00	
(F)	Reference Price (\$/MWh)	\$33.95	\$42.26	\$6.33	\$40.99	\$5.56	
(G=E-F)	Difference (\$/MWh)	\$(0.45)	\$1.24	\$1.67	\$2.01	\$1.44	
(H=D*G)	Mark-to-market value of hedges (\$ million) ⁽¹⁾	\$(35) million	\$65 million	\$25 million	\$15 million	\$10 million	
(I=A+H)	Hedged Gross Margin (\$ million)	\$6,850 million					
(J)	Power New Business / To Go (\$ million)	\$500 million					
(K)	Non-Power Margins Executed (\$ million)	\$100 million					
(L)	Non-Power New Business / To Go (\$ million)	\$300 million					
(N=I+J+K+L)	Total Gross Margin ⁽²⁾	\$7,750 million					

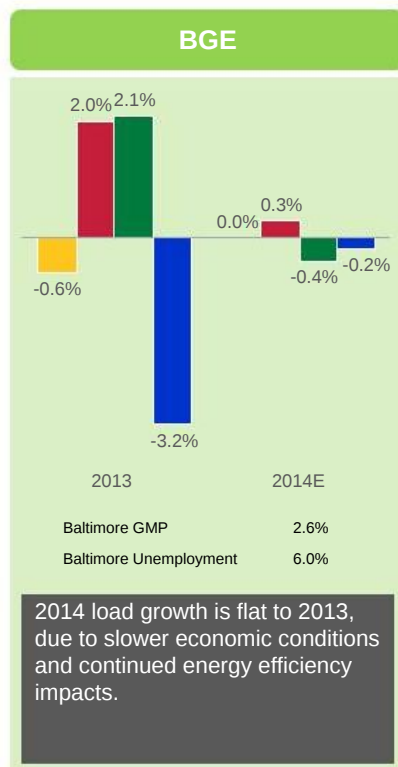
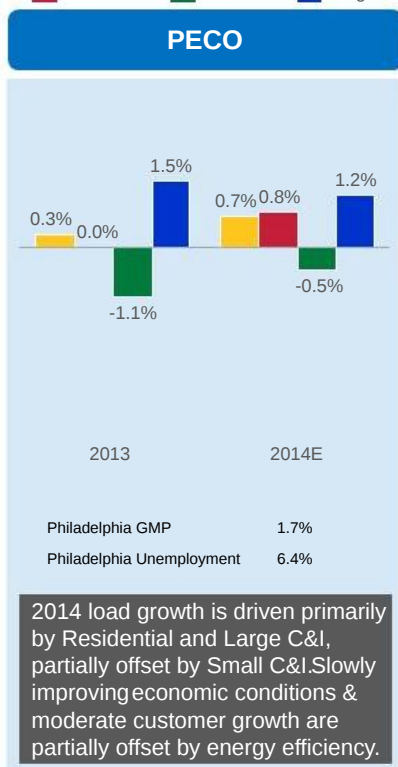
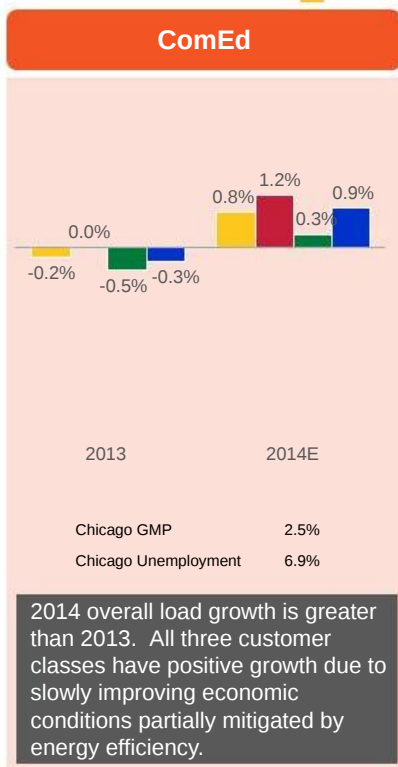
(1) Mark-to-market rounded to the nearest \$5 million.

(2) Total Gross Margin (Non-GAAP) is defined as operating revenues less purchased power and fuel expense, excluding revenue related to decommissioning, gross receipts tax, Exelon Nuclear Partners and variable interest entities. Total Gross Margin is also net of direct cost of sales for certain Constellation businesses. See Slide 24 for a Non-GAAP to GAAP reconciliation of Total Gross Margin.

Additional Disclosures

Exelon Utilities Weather-Normalized Load

■ All Customers
 ■ Residential
 ■ Small C&I
 ■ Large C&I



Notes: Data is not adjusted for leap year. Source of economic outlook data is Global Insight (April/May 2014). Assumes 2014 GDP of 2.4% and U.S unemployment of 6.1%. ComEd has the ROE collar as part of the distribution formula rate and BGE is decoupled which mitigates the load risk. QTD and YTD actual data can be found in earnings release tables. BGE amounts have been adjusted for true-up load from prior quarters.



ComEd April 2014 Distribution Formula Rate

The 2014 distribution formula rate filing establishes the net revenue requirement used to set the rates that will take effect in January 2015 after the ICC's review. There are two components to the annual distribution formula rate filing:

- **Filing Year** Based on prior year costs (2013) and current year (2014) projected plant additions.
- **Annual Reconciliation** For the prior calendar year (2013), this amount reconciles the revenue requirement reflected in rates during the prior year (2013) in effect to the actual costs for that year. The annual reconciliation impacts cash flow in the following year (2015) but the earnings impact has been recorded in the prior year (2013) as a regulatory asset.

Docket #	14-0312
Filing Year	2013 Calendar Year Actual Costs and 2014 Projected Net Plant Additions set the rates for calendar year 2015. Rates currently in effect (docket 13-0318) for calendar year 2014 were based on 2012 actual costs and 2013 projected net plant additions.
Reconciliation Year	Reconcile Revenue Requirement reflected in rates during 2013 to 2013 Actual Costs Incurred. Revenue requirement for 2013 is based on docket 13-0386 filed in June 2013 and reflect the impacts of PA 98-0015 (SB9)
Common Equity Ratio	~ 46% for both the filing and reconciliation year
ROE	9.25% for the filing year (2013 30-yr Treasury Yield of 3.45% + 580 basis point risk premium and 9.20% for the reconciliation year (2013 30-yr Treasury Yield of 3.45% + 580 basis point risk premium - 5 basis points performance metric penalty). For 2014 and 2015, the actual allowed ROE reflected in net income will ultimately be based on the average of the 30-year Treasury Yield during the respective years plus 580 basis point spread, absent any metric penalties
Requested Rate of Return	~ 7% for both the filing and reconciliation year
Rate Base⁽¹⁾	\$7,369 million Filing year (represents projected year-end rate base using 2013 actual plus 2014 projected capital additions) 2014 and 2015 earnings will reflect 2014 and 2015 year-end rate base respectively. \$6,596 million Reconciliation year (represents year-end rate base for 2013)
Revenue Requirement Increase⁽¹⁾	\$269M (\$95M due to the 2013 reconciliation, \$174M relates to the filing year). The 2013 reconciliation impact on net income was recorded in 2013 as a regulatory asset.
Timeline	<ul style="list-style-type: none"> • 04/16/14 Filing Date • 240 Day Proceeding • ICC order expected by December 12, 2014

Given the retroactive ratemaking provision in the EIMA legislation, ComEd net income during the year will be based on regulatory asset/liability recorded to reflect any under/over recovery reflected in rates. Revenue Requirement in rates will be based on cash flow.

(1) Amounts represent ComEd's position filed in rebuttal testimony on July 23, 2014.

Note: Disallowance of any items in the 2014 distribution formula rate filing could impact 2014 earnings in the form of a regulatory asset adjustment.

BGE July Rate Case Filing

	Electric	Gas
Docket #	9355	
Test Year	September 2014 August 2014	
Common Equity Ratio	53.3%	
Requested ROE	10.65%	10.55%
Requested Rate of Return	8.07%	8.01%
Rate Base (adjusted)	\$2.9B	\$1.2B
Revenue Requirement Increase	\$117.6M	\$67.5M
Proposed Distribution Increase as % of overall bill	3%	7%
Timeline	<ul style="list-style-type: none"> • 07/02/14 BGE filed application with the MDPSC seeking increases in electric & gas distribution base rates • 210 Day Proceeding • 7/08/14 Case delegated to the Public Utility Law Judge Division • Delegation of the case to the PULJ Division will add several additional procedural steps before a final order is issued (PULJ proposed order, appeals of PULJ order) which will compress the time frame for everything else • 01/28/2015 PSC order expected • New rates are in effect shortly after the final order 	

(1) Revenue requirement based on 9 months of actual data, 3 months of forecasted data. Operating results and capital structure will be updated with actual August 31, 2014 data when the results become available.

Appendix

Reconciliation of Non-GAAP Measures

2Q GAAP EPS Reconciliation

Three Months Ended June 30, 2013	ExGen	ComEd	PECO	BGE	Other	Exelon
2013 Adjusted (non-GAAP) Operating Earnings Per Share	\$0.32	\$0.11	\$0.09	\$0.03	\$(0.01)	\$0.53
Mark-to-market impact of economic hedging activities	0.30	-	-	-	(0.01)	0.30
Unrealized losses related to nuclear decommissioning trust funds	(0.03)	-	-	-	-	(0.03)
Merger and integration costs	(0.01)	-	(0.00)	(0.00)	-	(0.02)
Amortization of commodity contract intangibles	(0.13)	-	-	-	-	(0.13)
Amortization of the fair value of certain debt	0.00	-	-	-	-	0.00
Long-Lived Asset Impairment	(0.07)	-	-	-	(0.01)	(0.08)
2Q 2013 GAAP Earnings (Loss) Per Share	\$0.38	\$0.11	\$0.08	\$0.03	\$(0.03)	\$0.57

Three Months Ended June 30, 2014	ExGen	ComEd	PECO	BGE	Other	Exelon
2014 Adjusted (non-GAAP) Operating Earnings (Loss) Per Share	\$0.27	\$0.13	\$0.10	\$0.02	\$(0.00)	\$0.51
Mark-to-market impact of economic hedging activities	(0.01)	-	-	-	-	(0.01)
Unrealized gains related to NDT fund investments	0.09	-	-	-	-	0.09
Merger and integration costs	(0.02)	-	-	-	-	(0.02)
Amortization of commodity contract intangibles	(0.03)	-	-	-	-	(0.03)
Long-Lived Asset Impairment	(0.06)	-	-	-	(0.02)	(0.08)
Gain on CENG Integration	0.18	-	-	-	-	0.18
PHI Acquisition Costs	-	-	-	-	(0.01)	(0.01)
Non-Controlling Interest	(0.03)	-	-	-	-	(0.03)
2Q 2014 GAAP Earnings (Loss) Per Share	\$0.39	\$0.13	\$0.10	\$0.02	\$(0.03)	\$0.60

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

GAAP to Operating Adjustments

- Exelon's 2014 adjusted (non-GAAP) operating earnings excludes the earnings effects of the following:
 - Mark-to-market adjustments from economic hedging activities
 - Unrealized gains from NDT fund investments to the extent not offset by contractual accounting as described in the notes to the consolidated financial statements
 - Certain costs incurred associated with the Constellation and CENG merger and integration initiatives
 - Non-cash amortization of intangible assets, net, related to commodity contracts recorded at fair value at the Constellation merger date and CENG integration date for 2014
 - Impairment of certain wind generating assets.
 - Gain recorded upon consolidation of CENG.
 - Costs incurred associated with the Pepco Holdings Inc. acquisition.
 - CENG interest not owned by Generation, where applicable.

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

ExGen Total Gross Margin Reconciliation to GAAP

Total Gross Margin Reconciliation (in \$M) ⁽⁵⁾	2014	2015	2016
Revenue Net of Purchased Power and Fuel Expense ⁽¹⁾⁽⁶⁾	\$7,750	\$8,350	\$8,450
Non-cash amortization of intangible assets, net, related to commodity contracts recorded at fair value at the merger date ⁽²⁾	\$100	-	-
Other Revenues ⁽³⁾	\$(200)	\$(250)	\$(250)
Direct cost of sales incurred to generate revenues for certain Constellation businesses ⁽⁴⁾	\$(300)	\$(350)	\$(350)
Total Gross Margin (Non-GAAP, as shown on slide 14)	\$7,350	\$7,750	\$7,850

- (1) Revenue net of purchased power and fuel expense (RNF), a non-GAAP measure, is calculated as the GAAP measure of operating revenue less the GAAP measure of purchased power and fuel expense. ExGen does not forecast the GAAP components of RNF separately. RNF also includes the RNF of our equity ownership share of CENG
- (2) The exclusion from operating earnings for activities related to the merger with Constellation ends after 2014
- (3) Reflects revenues from Exelon Nuclear Partners, variable interest entities, funds collected through revenues for decommissioning the former PECO nuclear plants through regulated rates and gross receipts tax revenues
- (4) Reflects the cost of sales and depreciation expense of certain Constellation businesses of Generation
- (5) All amounts rounded to the nearest \$50M
- (6) Excludes the impact of the operating exclusion for mark-to-market due to the volatility and unpredictability of the future changes to power prices. Mark-to-market losses were ~\$750 million for the six months ended June 30, 2014