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**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**

**May 29, 2007**

**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 (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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Section 7 — Regulation FD

### Item 7.01. Regulation FD Disclosure.

On May 29-30, 2007, Exelon Corporation (Exelon) will meet with investors and participate in the Deutsche Bank Energy and Utilities Conference in Miami, Florida. During these discussions, Exelon will reaffirm its adjusted (non-GAAP) operating earnings guidance ranges for 2007 for Exelon, Exelon Generation Company, LLC (Generation), Commonwealth Edison Company (ComEd) and PECO Energy Company (PECO). Attached as Exhibit 99.1 to this Current Report on Form 8-K are the slides to be used at the conference.

\* \* \* \* \*

This combined Form 8-K is being furnished separately by Exelon, Generation, ComEd, and PECO (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 2006 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 18; (2) Exelon's First Quarter 2007 Quarterly Report on Form 10-Q in (a) Part II, Other Information, ITEM 1A. Risk Factors and (b) Part I, Financial Information, ITEM 1. Financial Statements: Note 13; 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.

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**Section 9 – Financial Statements and Exhibits**

**Item 9.01. Financial Statements and Exhibits.**

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
99.1	Presentation slides

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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  
EXELON GENERATION COMPANY, LLC  
PECO ENERGY COMPANY

/s/ John F. Young

John F. Young  
Executive Vice President, Finance and Markets  
and Chief Financial Officer  
Exelon Corporation

COMMONWEALTH EDISON COMPANY

/s/ Robert K. McDonald

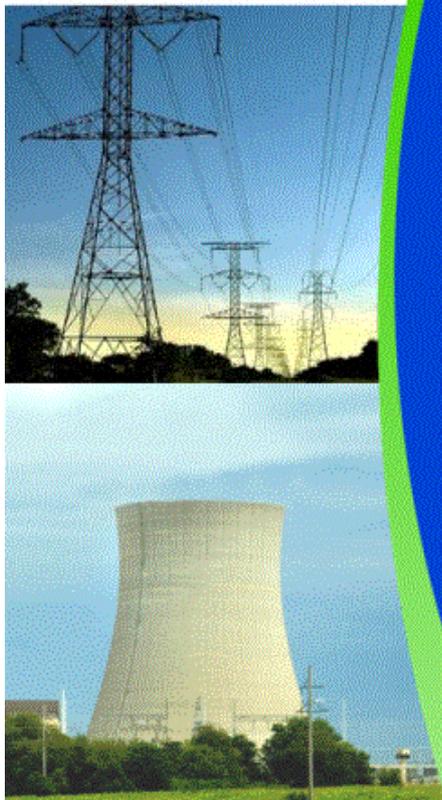
Robert K. McDonald  
Senior Vice President, Chief Financial Officer,  
Treasurer and Chief Risk Officer  
Commonwealth Edison Company

May 29, 2007

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## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Presentation slides



# Value Driven Exelon Corporation

*Deutsche Bank  
Energy & Utilities Conference*

Miami, Florida  
May 30, 2007

# Exelon®

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**Ian P. McLean**  
**Executive Vice President, Exelon**  
**President, Power Team**

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## Forward-Looking Statements

This presentation 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 2006 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 18; (2) Exelon's First Quarter 2007 Quarterly Report on Form 10-Q in (a) Part II, Other Information, ITEM 1A. Risk Factors and (b) Part I, Financial Information, ITEM 1. Financial Statements: Note 13; and (3) other factors discussed in filings with the Securities and Exchange Commission (SEC) by Exelon Corporation, Exelon Generation Company LLC, Commonwealth Edison Company, and PECO Energy Company (Companies). 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 Companies undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this presentation.

This presentation includes references to adjusted (non-GAAP) operating earnings that exclude the impact of certain factors. We believe that these adjusted operating earnings are representative of the underlying operational results of the company. Please refer to the appendix to the presentation for a reconciliation of adjusted (non-GAAP) operating earnings to GAAP earnings.

# The Exelon Companies



'06 Operating Earnings <sup>(1)</sup> :	\$2.2B
'07E Operating Earnings <sup>(2)</sup> :	\$2.7 - \$2.9B
'07 EPS Guidance <sup>(2)</sup> :	\$4.00 - \$4.30
Assets (12/31/06):	\$44.3B
Total Debt (12/31/06):	\$13.0B
Credit Rating <sup>(4)</sup> :	BBB



## Nuclear, Fossil, Hydro & Renewable Generation Power Marketing

'06 Earnings <sup>(1)</sup> :	\$1,275M
'07E Earnings <sup>(2)</sup> :	\$2,280 - \$2,420M
'06 EPS <sup>(1)</sup> :	\$1.88
'07 EPS Guidance <sup>(2)</sup> :	\$3.40 - \$3.60
Total Debt <sup>(3)</sup> :	\$1.8B
Credit Rating <sup>(4)</sup> :	BBB+

Illinois Utility	'06 Earnings <sup>(1)</sup> :	\$528M
	'07E Earnings <sup>(2)</sup> :	\$65 - \$125M
	'06 EPS <sup>(1)</sup> :	\$0.78
	'07 EPS Guidance <sup>(2)</sup> :	\$0.10 - \$0.20
	Total Debt <sup>(3)</sup> :	\$4.6B
	Credit Ratings <sup>(4)</sup> :	BBB

Pennsylvania Utility	'06 Earnings <sup>(1)</sup> :	\$455M
	'07E Earnings <sup>(2)</sup> :	\$400 - \$420M
	'06 EPS <sup>(1)</sup> :	\$0.67
	'07 EPS Guidance <sup>(2)</sup> :	\$0.60 - \$0.65
	Total Debt <sup>(3)</sup> :	\$4.2B
	Credit Ratings <sup>(4)</sup> :	A-

<sup>(1)</sup> 2005 Adjusted (Not-GAAP) Operating Earnings and Operating EPS.

<sup>(2)</sup> Estimated 2007 Adjusted (Not-GAAP) Operating Earnings and 2007 Operating Earnings Guidance per Exelon share.

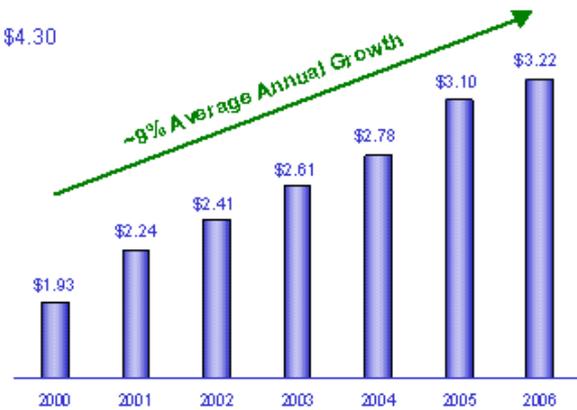
<sup>(3)</sup> As of 12/31/06.

<sup>(4)</sup> Standard & Poor's senior unsecured debt ratings for Exelon and Generation and senior secured debt ratings for ComEd and PECO as of 5/24/07.

## Financial Performance

	Q1 2006	Q1 2007	2007 Guidance
<b>Adjusted (non-GAAP) Operating EPS</b>			
Operating	\$0.62	\$1.07	\$4.00 - \$4.30
Weather Normalized <sup>(1)</sup>	\$0.66	\$1.07	

### Adjusted (non-GAAP) Operating EPS



### Q1 2007 Highlights

- Strong financial and operating results
  - Higher generation margins
  - Increased nuclear output with fewer outage days
  - Offset by lower ComEd results and higher O&M costs across Exelon
- ComEd completed transition to wires-only business
  - Implemented customer rate relief programs, including residential rate phase-in plan
  - Filed transmission rate case

Q1 2007 earnings are primarily driven by higher margins at Generation and the end of ComEd's regulatory transition period

<sup>(1)</sup> Excludes \$0.04 per share favorable impact to normal in Q1 2006 and no impact to normal in Q1 2007.

## Exelon Vision & Role of Power Team

### Exelon Vision

*Exelon will be the best group of electric generation and electric and gas delivery companies in the United States – providing superior value for our customers, employees, investors and the communities we serve.*

### Exelon Goals

- Keep the lights on and gas flowing
- Run the nuclear fleet at world-class levels
- Capitalize on environmental leadership and clean nuclear energy
- Create a challenging and rewarding workplace
- Enhance the value of our generation
- Build value through disciplined financial management

### Exelon Strategic Direction

#### Protect Today's Value

- Deliver superior operating performance
- Support competitive markets
- Protect the value of our generation
- Build healthy, self-sustaining delivery companies

#### Grow Long-Term Value

- Take the organization to the next level of performance
- Align our financial management policies with the changing profile of our company
- Rigorously evaluate new growth opportunities
- Advance an environmental strategy that leverages our carbon position

### Power Team's Role

*Optimize the value of Exelon Generation's portfolio*

- Coordinated generation scheduling, dispatch & fuel procurement
- Structured transactions & proprietary trading
- Vigilant risk management
- Rigorous portfolio management
- Analysis of regional market fundamentals
- Evaluation of regulatory & policy changes
- Strategic growth analysis

Power Team creates value by minimizing the downside risk while capturing the upside and translating operational excellence into earnings

## Portfolio Management

Target Financial Hedge <sup>(1)</sup> Range		
Prompt Year (2008)	Second Year (2009)	Third Year (2010)
90% - 98%	70% - 90%	50% - 70%



### Power Team employs commodity hedging strategies to optimize Exelon Generation's earnings:

- ✓ Maintain length for opportunistic sales
- ✓ Use cross commodity option strategies to enhance hedge activities
- ✓ Time hedging around view of market fundamentals
- ✓ Supplement portfolio with load following products
- ✓ Use physical and financial fuel products to manage variability in fossil generation output

Flexibility in our targeted financial hedge ranges allows us to be opportunistic while mitigating downside risk

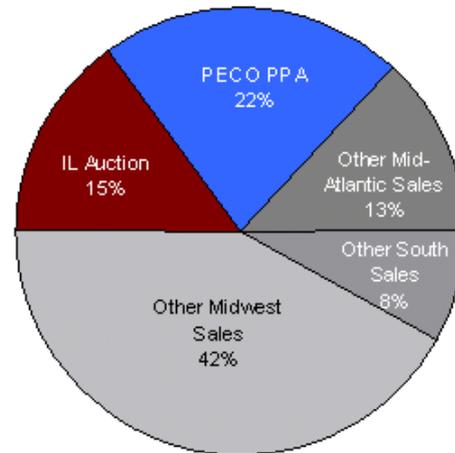
<sup>(1)</sup> Percent Financially Hedged is an estimate of the gross margin that is not at risk due to a market price drop and assuming normal generation operating conditions. The formula is: Gross margin at the 5<sup>th</sup> percentile / Expected Gross margin.

## Portfolio Characteristics

### 2007 Expected Total Supply (GWh)

Nuclear	139,750
Fossil & Hydro	37,500
Forward & Spot Purchases	7,300
<b>Total</b>	<b>184,550</b>

### 2007 Expected Total Sales (GWh)

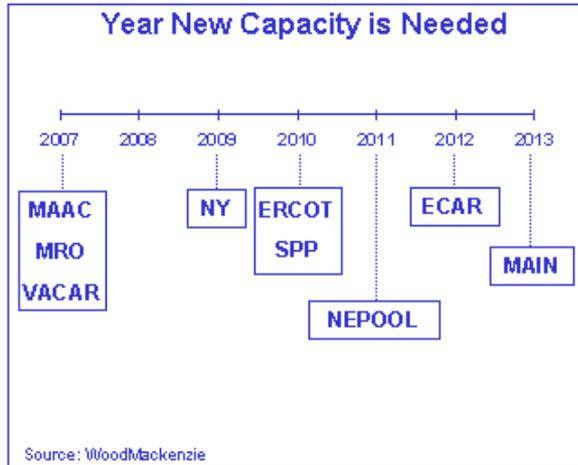


The transition to power procurement auctions allows Exelon Generation to capture the full market value of its generation portfolio and places more emphasis on hedging and risk management

## Markets Overview

- ✓ Fundamentals
  - Reserve Margins
  - Cost of New Entry
  
- ✓ Full Requirements Costs
  
- ✓ Capacity Prices
  
- ✓ Carbon Value

## Fundamentals



The overbuild is ending in the Eastern Interconnect

### Cost of New Build Generation Construction <sup>(1)</sup>

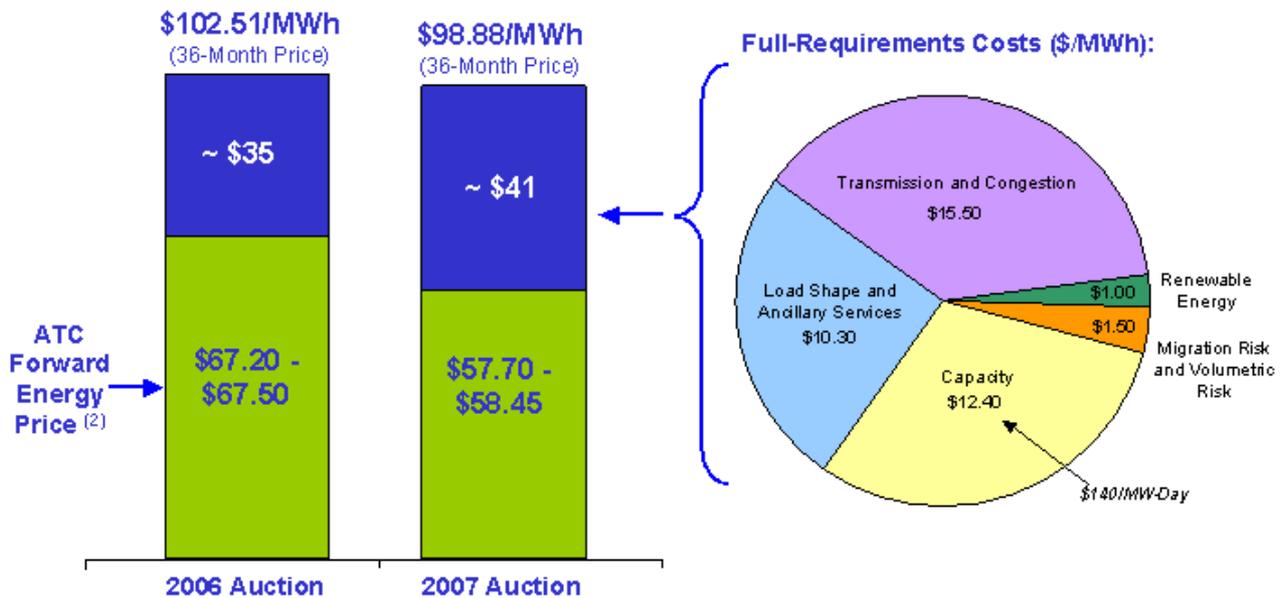
Technology	EIA (\$/KW)	S&P (\$/KW)
Gas CT	428	
CCGT	615	700
Pulverized Coal	1,316	2,438
IGCC	1,581	2,795 – 2,925
Nuclear	2,123	4,000

<sup>(1)</sup> Notes:

- EIA estimates from Annual Energy Outlook 2007; capital costs converted to 2005 dollars.
- S&P costs from Commodity Report, "Which Power Generation Technologies Will Take the Lead in Response to Carbon Controls," May 11, 2007.
- Costs estimates from EIA and S&P are generic and do not take into account site-specific issues such as transmission and fuel access.

New build costs are increasing rapidly and are difficult to project with precision due to limited active construction

## Full Requirements Cost New Jersey BGS Auction<sup>(1)</sup>

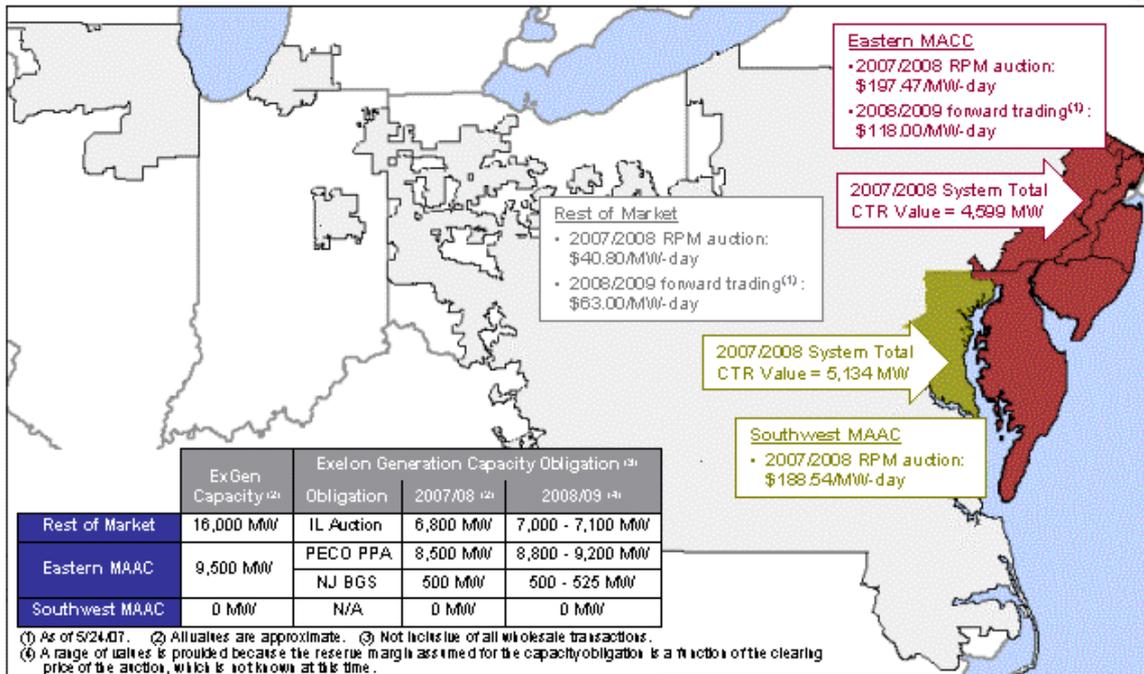


The higher full-requirements component is due to increases in costs associated with capacity and congestion

<sup>(1)</sup> For PSE&G.

<sup>(2)</sup> Range of forward market prices traded during the 2006 and 2007 auctions. The 2006 auction occurred on Feb. 6-7, 2006, and the 2007 auction occurred on Feb. 6-7, 2007.

# PJM RPM 2007/2008 & 2008/2009

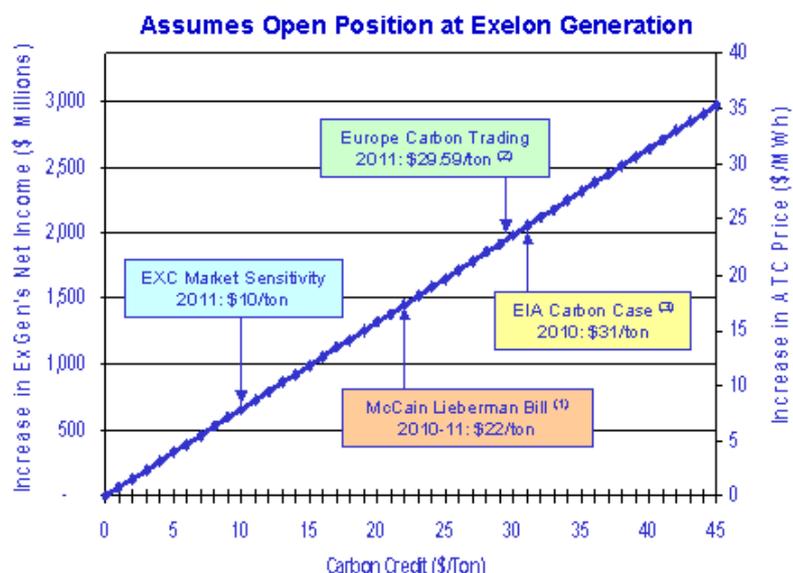


RPM will have limited impact on Exelon's 2007 earnings due to current contracts and forward sales commitments

RPM - Reliability Pricing Model

CTR - Capacity Transfer Rights

## Carbon Value



### Carbon Value

#### Midwest

- ~90,000 GWhs in Midwest nuclear portfolio
- ~55% of time coal on the margin
- ~40% of time gas on the margin

#### Mid-Atlantic

- ~50,000 GWhs in Mid-Atlantic nuclear portfolio
- ~45% of time coal on the margin
- ~50% of time gas on the margin

Climate change legislation is expected to drive substantial gross margin expansion at Exelon Generation

① The Energy Information Administration (EIA) valuation of the McCain Lieberman Bill, EIA report number SR/OIAF/2003-02.  
 ② As of May 21, 2007.  
 ③ The EIA Carbon Stabilization Case (Case 6) dated March 2006, EIA report number SR/OIAF/2006-1.  
 Note: Assumes below \$45/ton carbon cost, no carbon reduction technology (e.g., sequestration) & economical.

## Exelon Generation Operating Earnings Drivers: Next Five Years

\$2,280M - \$2,420M



2007 Guidance

Market Sensitivities (1) As of 12/31/06 (After-Tax \$M)	2007	2011
+/- \$1/mmBtu Gas	\$25	\$390
+/- 500 Btu/KWh ATC Heat rate	\$25	\$340
+/- \$10/MW-Day Capacity	\$10	\$50
+ \$10/Ton Carbon	N/A	\$660

### Exelon Generation's Competitive Position

- Large, low-cost, low-emissions, exceptionally well-run nuclear fleet
- Complementary and flexible fossil and hydro fleet
- Improving power market fundamentals (heat rates and capacity values)
- Potential carbon restrictions

Exelon Generation is poised for earnings growth over the next five years driven by the end of the IL and PA transition periods and its unique competitive position

NOTE: See "Key Assumptions" slide in Appendix.

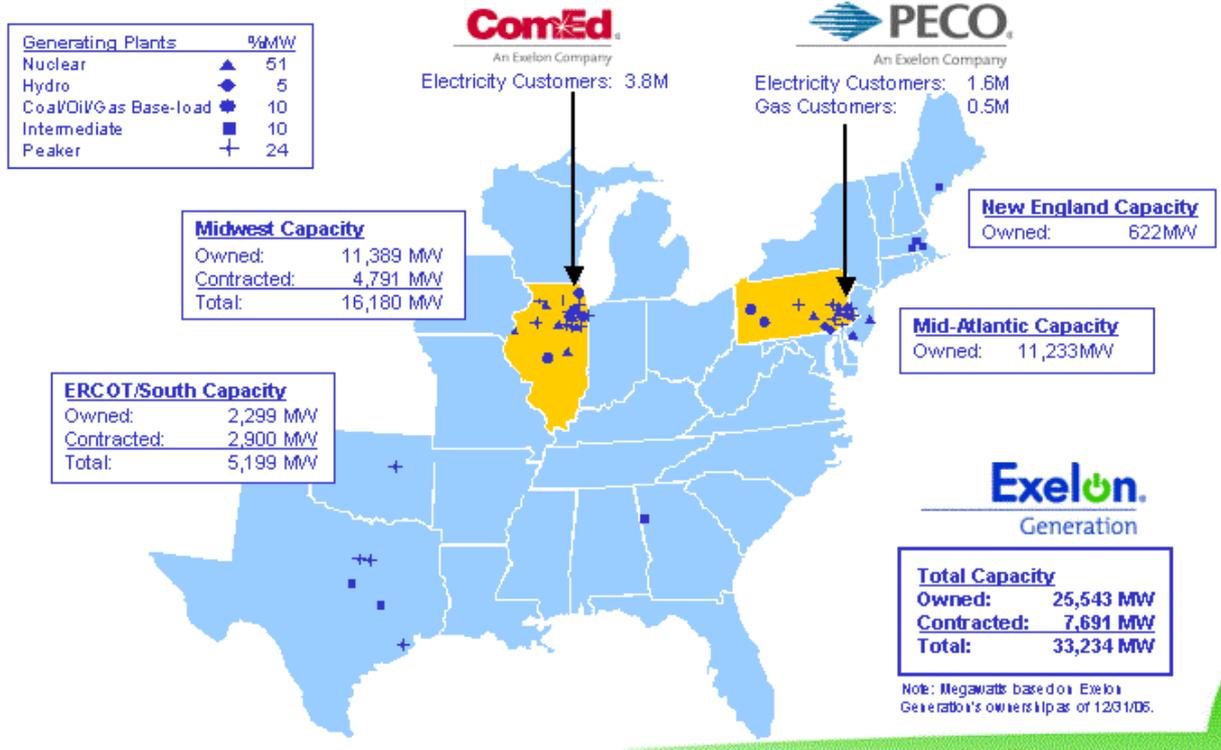
(1) Differences in sensitivities are largely due to differences in the amount hedged in 2007 vs. 2011.

## **Exelon – Value Driven**

- ✓ Strong financial and operating performance in 2006
- ✓ Uniquely positioned generation business, driving continued strong growth through 2011
- ✓ Managing the transition to competitive markets in Pennsylvania
- ✓ Executing regulatory recovery plan to put ComEd on a path toward appropriate returns and solid credit metrics
- ✓ Financial policies aligned with changing composition of earnings
- ✓ Increasingly strong cash flows and balance sheet
- ✓ Committed to returning substantial cash to shareholders through new value return policy, while maintaining financial flexibility

# **Appendix – Financial and Operational Statistics**

# Multi-Regional, Diverse Company



## Key Assumptions

	2005 Actual	2006 Actual	2007 Est.
Nuclear Capacity Factor (%) <sup>(1)</sup>	93.5	93.9	94.0
Total Genco Sales Excluding Trading (GWhs)	194,337	190,680	184,500
Total Genco Sales to Energy Delivery (GWhs)	121,961	119,354	40,500 <sup>(5)</sup>
Total Genco Market and Retail Sales (GWhs) <sup>(2)</sup>	72,376	71,326	144,000
Henry Hub Gas Price (\$/mmBtu)	8.85	6.74	8.00
PJM West Hub ATC Price (\$/MWh)	60.92	51.07	59.50
Tetco M3 Gas Price (\$/mmBtu)	9.67	7.31	9.00
PJM West Hub Implied ATC Heat Rate (mmbtu/MWh)	6.30	6.98	6.60
NI Hub ATC Price (\$/MWh)	46.39	41.42	44.00
Chicago City Gate Gas Price (\$/mmBtu)	8.41	6.56	7.60
NI Hub Implied ATC Heat Rate (mmbtu/MWh)	5.52	6.32	5.80
PJM East Capacity Price (\$/MW-day)	0.13	1.75	44.30
PJM West Capacity Price (\$/MW-day)	0.13	1.75	16.60
Electric Volume Retention (%)			
PECO	95	98	98
ComEd	79	77	53
Electric Delivery Growth (%) <sup>(3)</sup>			
PECO	0.9	1.2	0.6
ComEd	1.3	0.6	0.9
Effective Tax Rate (%) <sup>(4)</sup>	37.5	37.0	37.0

(1) Excludes Salem.

(2) 2007 estimate includes Illinois Auction Sales.

(3) Weather-normalized retail load growth.

(4) Excludes reserves related to losses from the synthetic fuel production facilities.

(5) Sales to PECO only.

Notes: 2005 and 2006 prices are average for the year.

2007 prices reflect observable prices as of 9/14/06.

## 2007 Operating Earnings Guidance

Operating EPS <sup>(1)</sup>: \$4.00 - \$4.30 per share

GAAP EPS <sup>(1)</sup>: \$4.10 - \$4.40 per share



### Earnings Drivers

- ComEd regulatory recovery plan
- Improving market fundamentals
  - Gas prices
  - Capacity values
  - Heat rates
- End of IL and PA transition periods
- Carbon regulation

Exelon expects to see robust earnings growth over next five years driven by Exelon Generation and ComEd's recovery.

NOTE: See "Key Assumptions" slide in Appendix.  
<sup>(1)</sup> Earnings Guidance.

## 2007 Quarterly EPS Profile

### Quarterly Operating EPS by Percentage of Full Year:

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
2003-2006 Average	22%	25%	31%	22%
2006 Actual	19%	27%	32%	22%
2007 Estimated	25-27% <sup>(1)</sup>	21-24%	26-29%	23-26%

#### *Factors driving changes in quarterly EPS profile:*

##### 2006

- ✓ Weather and storms
- ✓ Nuclear generation
- ✓ Other one-time items

##### 2007

- ✓ Energy margins moving from ComEd to Genco
- ✓ ComEd PPA roll off
  - PPA had shaped monthly price; auction price more level
  - More market sales
- ✓ Timing of hedging activities

Starting this year, Exelon's earnings will have a slightly different quarterly distribution than in prior years

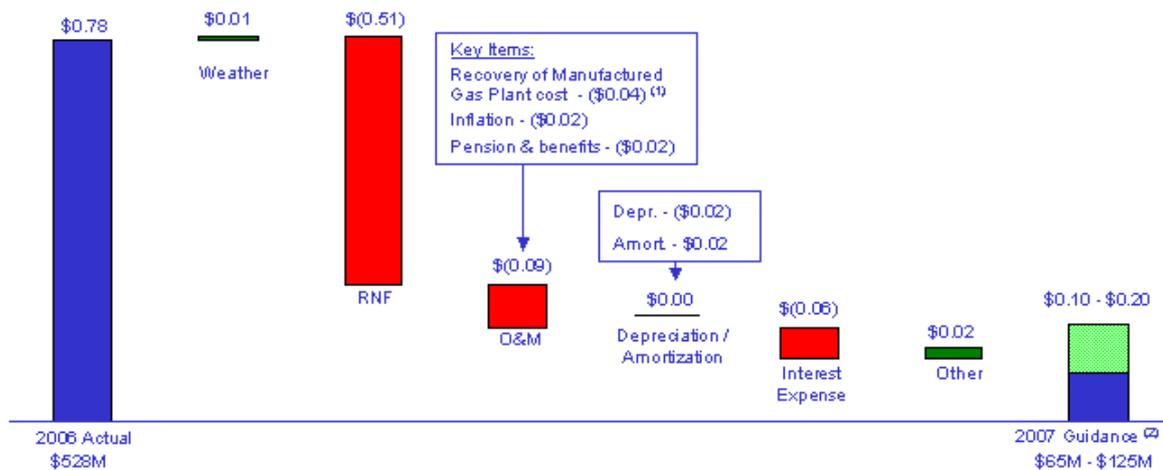
<sup>(1)</sup> Based on percentage of actual Q1 operating EPS of \$1.07 to full year guidance range.

**ComEd**®

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## ComEd 2007 Operating EPS



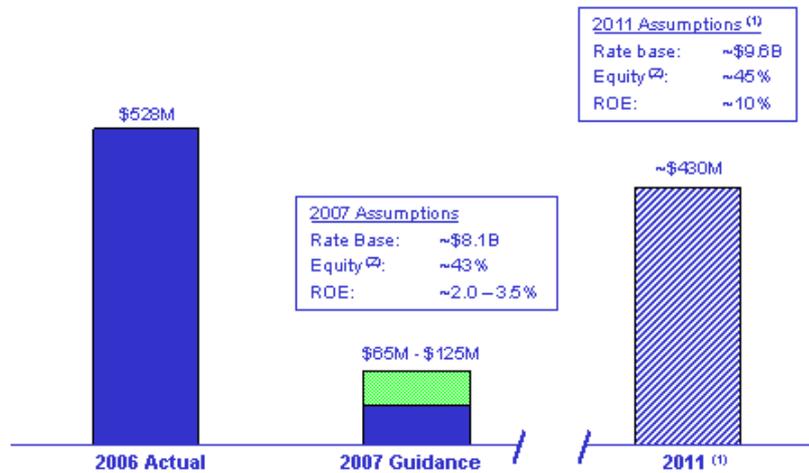
As a "wires-only" company, ComEd is expected to earn less on an operating basis in 2007 than in prior years due to the end of the transition period in Illinois and related transition revenues. The unfavorable ICC Order in the Distribution Case and continued regulatory lag further reduces ComEd's 2007 earnings.

NOTE: See "Key Assumptions" slide in Appendix.

(1) Variance due to regulatory credit in 2006.

(2) Reflects the 12/20/06 ICC amended order on the re-hearing of ComEd's Distribution Rate Case.

## ComEd Operating Earnings: Next Five Years



### ComEd Key Issues

- Roll-out of optional residential rate phase-in and other customer rate relief programs
- Regulatory recovery plan
  - Transmission rate case filed March 1<sup>st</sup> (No. ER07-583)
  - Distribution rate case filing expected late Q2 '07
- Rate Design docket (No. 07-0166)
- Potential rate freeze legislation
- Actively engaged in discussions of alternatives to rate freeze

After 2007, assuming no rate freeze legislation or similar event, ComEd's earnings are expected to increase as regulatory lag is reduced over time through regular rate requests, putting ComEd on a path toward appropriate returns.

NOTE: See "Key Assumptions" slide in Appendix.

(1) Provided solely for illustrative purposes, not intended as earnings guidance. The earnings figure represents a possible scenario that is based on the assumptions shown above as well as assumptions about other factors, including, but not limited to, judgments about changes in load growth, spending and ratemaking proceedings, as well as future economic, competitive and financial market conditions, and the absence of adverse regulatory and legislative developments, all of which are subject to uncertainties and have not been subject to the same degree of analysis as we apply to 2007 forecasts. This scenario should not be relied upon as being necessarily indicative of future results.

(2) Reflects equity based on definition provided in most recent ICC distribution rate case order (book equity less goodwill). Projected book equity ratio in 2007 is 58%.

## ComEd Transmission Filing Summary

- ✓ Filed with FERC on March 1, 2007
- ✓ Expected to increase average residential customer bill by ~1.5%

### Filing includes:

- ✓ \$147 million increase in annual revenue requirement
- ✓ 11.70% base ROE plus 0.50% adder for RTO participation and 1.50% incentive adder for major system expansion projects
- ✓ 58% equity ratio (12/31/05 actual; adjusted for the 2006 goodwill impairment)
- ✓ Formula proposal that would adjust transmission rates annually based on historical costs for the prior year plus current year plant additions and CWIP
- ✓ Subject to FERC approval, requested to be effective May 2007

Since last transmission rate update in 2003 through 2007, ComEd will have invested more than \$800 million in transmission-related plant to meet increasing demand and improve reliability

CWIP = Construction work in progress.

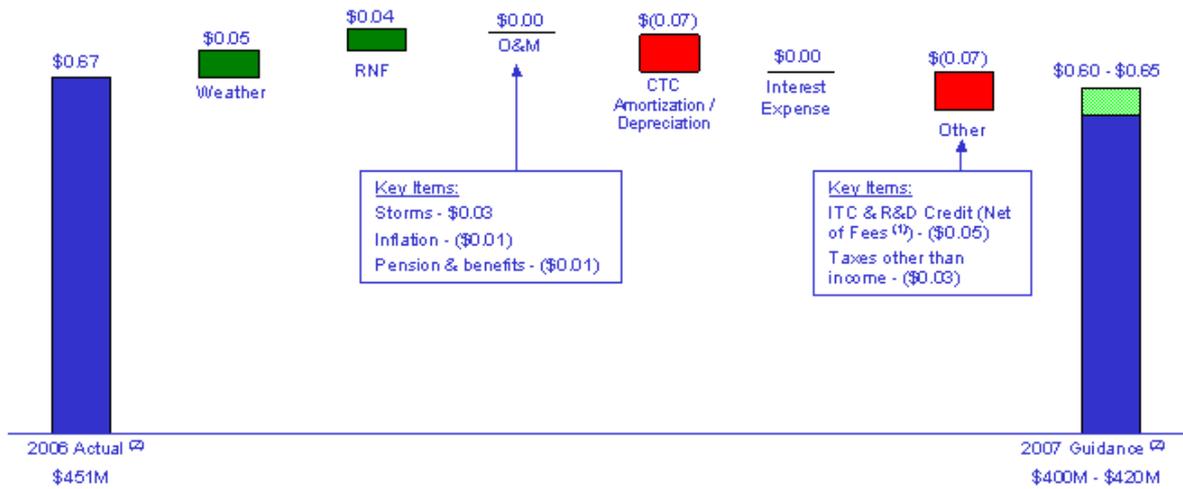


**PECO**®

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An Exelon Company

## PECO 2007 Operating EPS



PECO's operating earnings are expected to decrease slightly from 2006 to 2007 primarily due to increasing CTC amortization

NOTE: See "Key Assumptions" slide in Appendix.

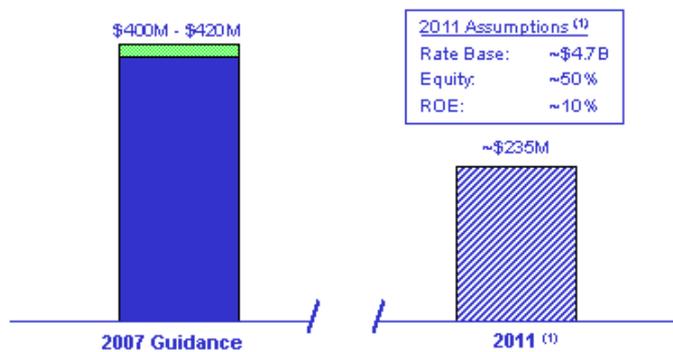
(1) Variance primarily driven by restructuring credits in 2005.

(2) Adjusted for (\$4M) preferred securities from HoldCo.

## PECO Operating Earnings: Next Five Years

### PECO's Post-2010 Planning

- PUC issued Final Default Service Regulations along with a Final Order on Price Mitigation on 5/10/2007
  - PUC's Final Default Service rules provide competitive procurement framework with full cost recovery
  - PUC's Price Mitigation Order focuses on customer education to prepare customers for potential price increase
- Governor announced Energy Independence Initiative on 2/1/07; accompanying legislation has been introduced into the General Assembly

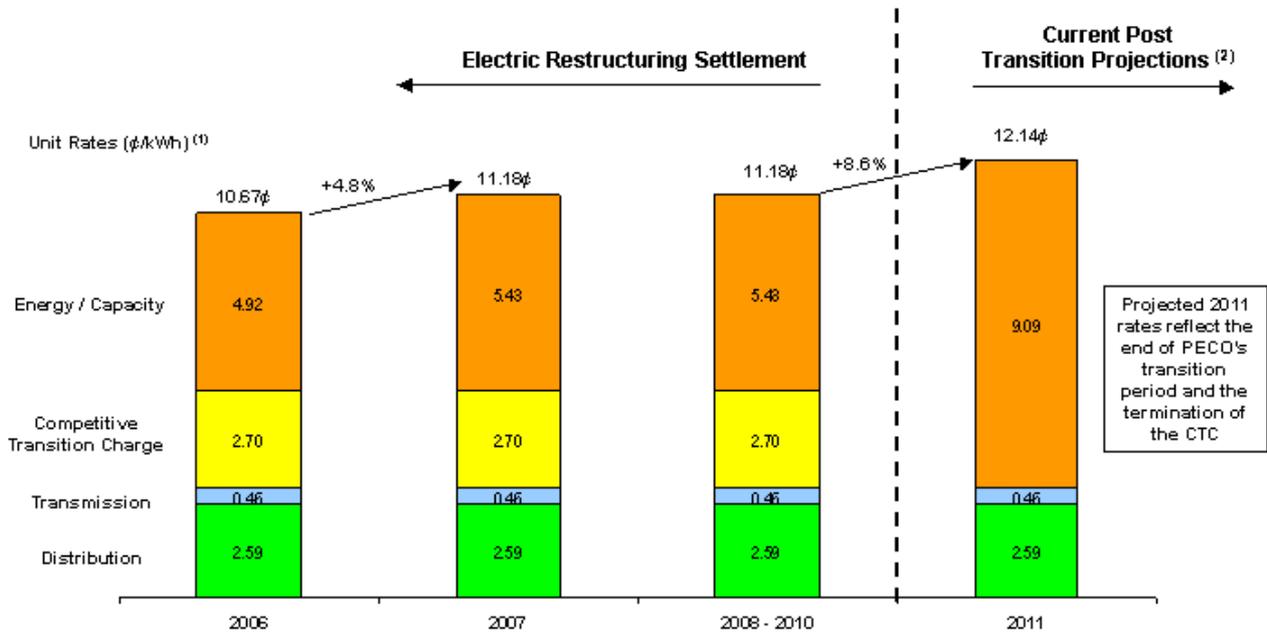


PECO is expected to provide a predictable source of earnings to Exelon through the remainder of the transition period

NOTE: See "Key Assumptions" slide in Appendix.

(1) Provided solely for illustrative purposes, not intended as earnings guidance. The earnings figure represents a possible scenario that is based on the assumptions shown above as well as assumptions about other factors, including, but not limited to, judgments about changes in load growth, spending and ratemaking proceedings, as well as future economic, competitive and financial market conditions, and the absence of adverse regulatory and legislative developments, all of which are subject to uncertainties and have not been subject to the same degree of analysis as we apply to 2007 forecasts. The scenarios could not be relied upon as being necessarily indicative of future results.

# PECO Average Electric Rates



(1) Rates increased from original settlement by 1.6% to reflect the roll-in of increased Gross Receipts Tax and \$0.02/kWh for Universal Service Fund Charge and Nickel and Dismantling Cost Adjustment.

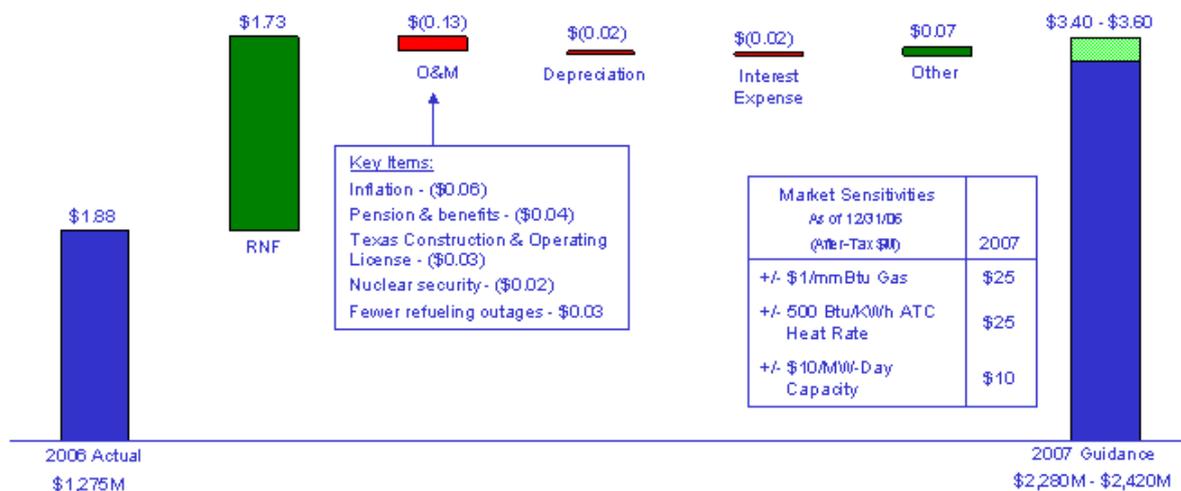
(2) Assumes \$63.71/MMBtu PJM West ATC price (2011) with a \$7.29/MMMBTU gas price at Henry Hub as of 1/17/07 per The Northbridge Group.  
Note: The forecast does not include any impacts of recent PJM RPM and other regulatory or proposed carbon legislation.

**Exelon**®

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Generation

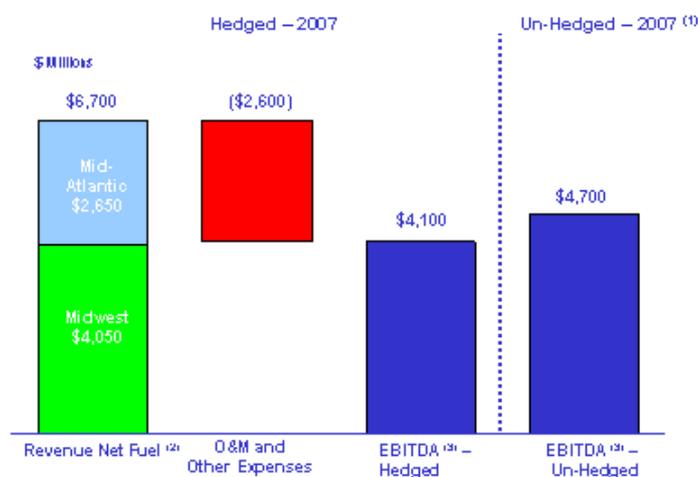
# Exelon Generation 2007 Operating EPS



Earnings growth is driven by the expiration of the below-market ComEd PPA, favorable market conditions, and a contractual price increase in the PECO PPA

NOTE: See "Key Assumptions" slide in Appendix.

## Valuing Exelon Generation



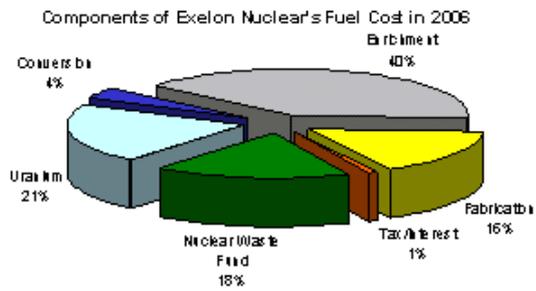
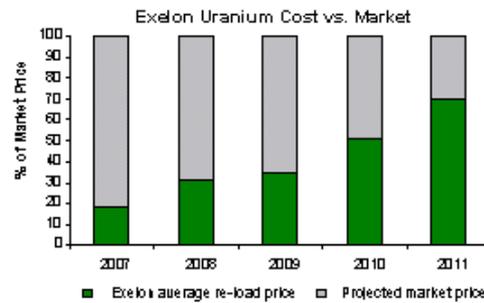
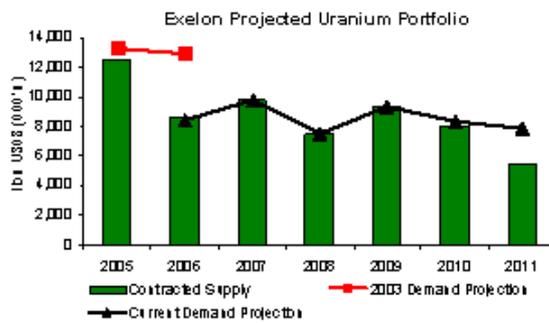
Un-hedged ("Open") EBITDA plus upside from unique competitive position drives Exelon Generation's value

- ① Exelon Generation's Un-hedged EBITDA assumes that the PECO load is priced at current market prices and removes the impact of "in-the-money" hedges (prices as of 9/14/06).
- ② Exelon Generation's estimated total Revenue Net Fuel of \$6,700M reflects the Midwest, Mid-Atlantic, South and Other.
- ③ Includes Nuclear Fuel Amortization; refer to last page of Appendix for a reconciliation of Net Income to EBITDA.

## Nuclear Performance – Fuel Costs

Uranium market prices have increased, but Exelon is managing its portfolio

- Reduced uranium demand by 25%
- Contracting strategy protects us and ensures we are significantly below current spot market prices through 2011
- Uranium is small component of total production cost
- Expect long-term price to decrease due to increasing supply; stabilize based on cost of production



Exelon Nuclear is managing fuel costs

## Energy Policy Act – Nuclear Incentives

### Production Tax Credit (PTC)

- ✓ \$18 per MWh, 8 year PTC for first 6,000 MWe of new capacity
- ✓ Cap of \$125M per 1,000 MWe of capacity per year
- ✓ Protects against a decrease in market prices and revenues earned
- ✓ Significantly improves EPS
- ✓ Benefit will be allocated/ prorated among those who:
  - File COL by year-end 2008
  - Begin construction (first safety-related concrete) by 1/1/2014
  - Place unit into service by 1/1/2021

### Regulatory Delay “Backstop”

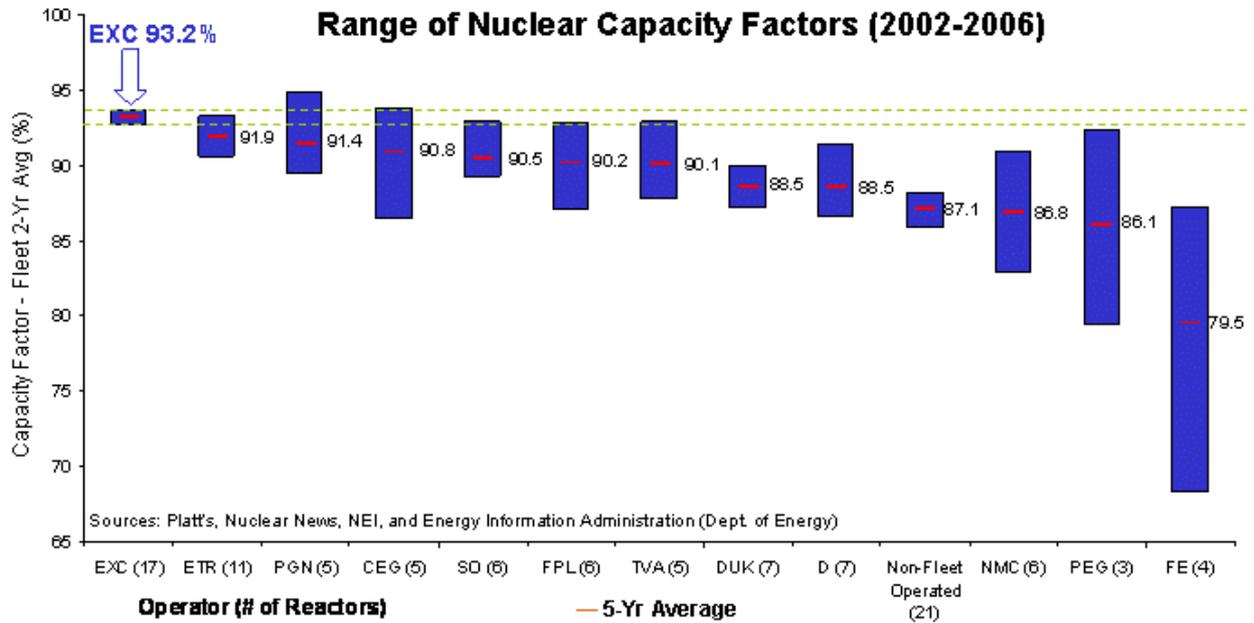
- ✓ “Insurance” protecting against regulatory delays in commissioning a completed plant
  - First two reactors would receive immediate “standby interest coverage” including replacement power up to \$500M
  - The next four reactors would be covered up to \$250M after six months of delay

### Government Loan Guarantee

- ✓ Results in ability to obtain non-recourse project financing
- ✓ Up to 80% of the project cost, repayment within 30 years or 90% of the project life
- ✓ Need clarification of implementation specifics
- ✓ Availability of funds to nuclear projects at risk given latest program guidelines

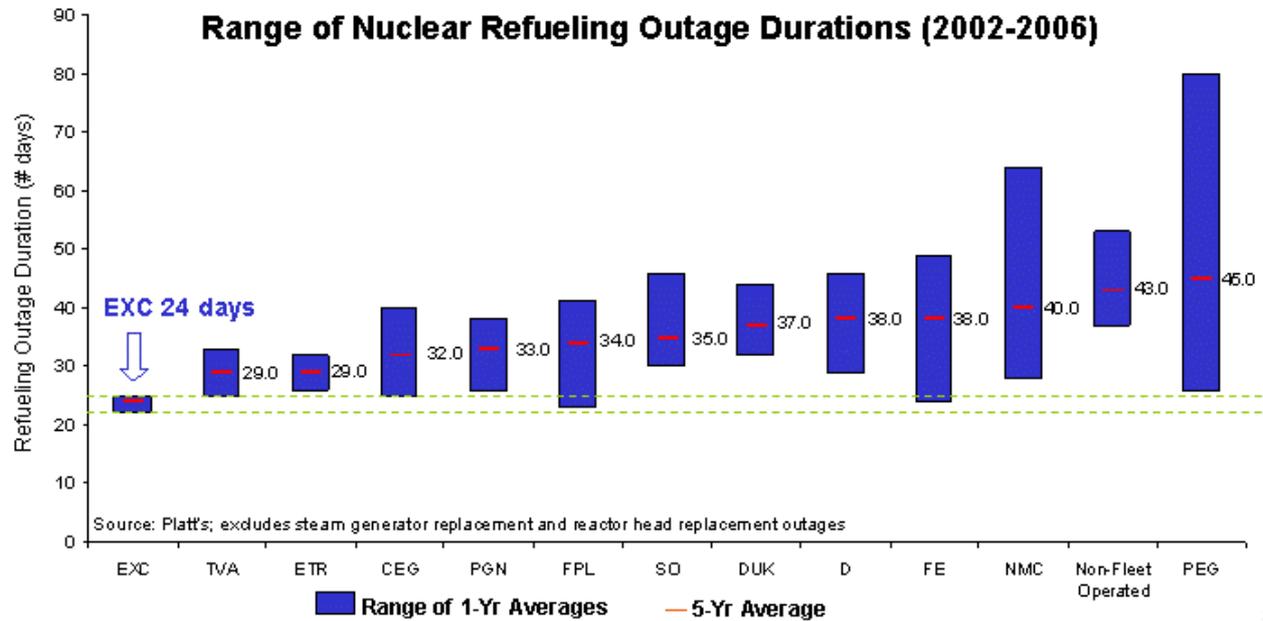
Energy Policy Act provides financial incentives and reduced risk by way of production tax credits and loan guarantees

## Premier Nuclear Operator



Exelon Nuclear's sustained reliability is a competitive advantage

## Nuclear Performance - Refueling



Exelon Nuclear's refueling excellence drives higher generation

## Current Market Prices

<b>PRICES (as of May 21, 2007)</b>	Units	2004	2005 <sup>1</sup>	2006 <sup>1</sup>	2007 <sup>5</sup>	2008 <sup>6</sup>
PJM West Hub ATC	(\$/MWh)	42.35 <sup>2</sup>	60.92 <sup>2</sup>	51.07 <sup>2</sup>	61.05	66.46
PJM NiHub ATC	(\$/MWh)	30.15 <sup>2</sup>	46.39 <sup>2</sup>	41.42 <sup>2</sup>	47.67	50.61
NEPOOL MASS Hub ATC	(\$/MWh)	52.13 <sup>2</sup>	76.65 <sup>2</sup>	59.66 <sup>2</sup>	73.26	82.17
ERCOT North On-Peak	(\$/MWh)	49.53 <sup>2</sup>	76.90 <sup>2</sup>	60.87 <sup>2</sup>	73.64	82.59
Henry Hub Natural Gas	(\$/MMBTU)	5.85 <sup>4</sup>	8.85 <sup>4</sup>	6.74 <sup>4</sup>	8.04	9.00
WTI Crude Oil	(\$/bbl)	41.48 <sup>4</sup>	56.62 <sup>4</sup>	66.38 <sup>4</sup>	64.57	71.54
PRB 8800	(\$/Ton)	5.97	8.06	13.04	8.83	9.79
NAPP 3.0	(\$/Ton)	60.25	52.42	43.87	46.09	45.75
<b>ATC HEAT RATES (as of May 21, 2007)</b>						
PJM West Hub / Tetco M3	(MMBTU/MWh)	6.40	6.30	6.98	6.81	6.52
PJM NiHub / Chicago City Gate	(MMBTU/MWh)	5.52	5.52	6.32	6.01	5.68
ERCOT North / Houston Ship Channel	(MMBTU/MWh)	7.53	8.21	8.28	8.25	8.22

1. 2004, 2005 and 2006 are actual settled prices.

2. Real Time LMP (Locational Marginal Price).

3. Nextday over-the-counter market.

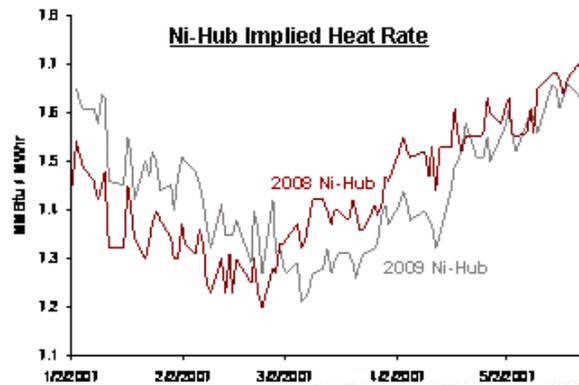
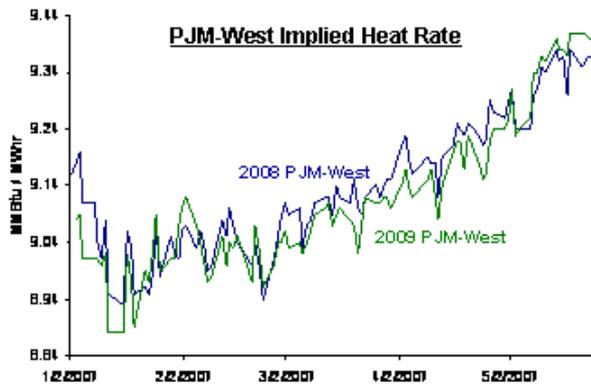
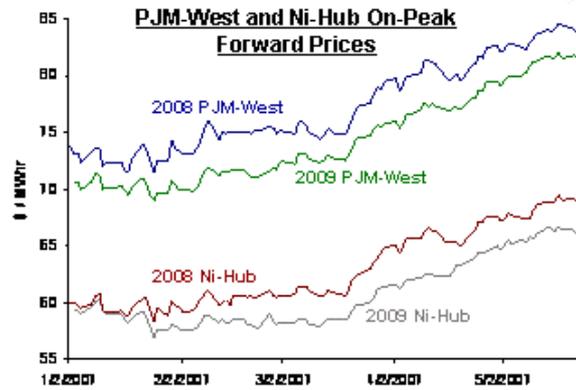
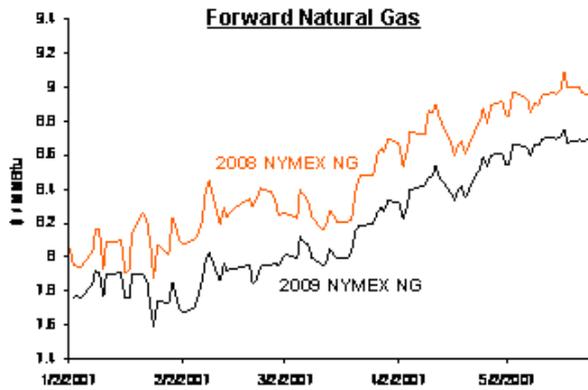
4. Average NYMEX settled prices.

5. 2007 information is a combination of actual prices through May 21<sup>st</sup>, 2007 and market prices for the balance of the year.

6. 2008 is forward market prices as of May 21<sup>st</sup>, 2007.

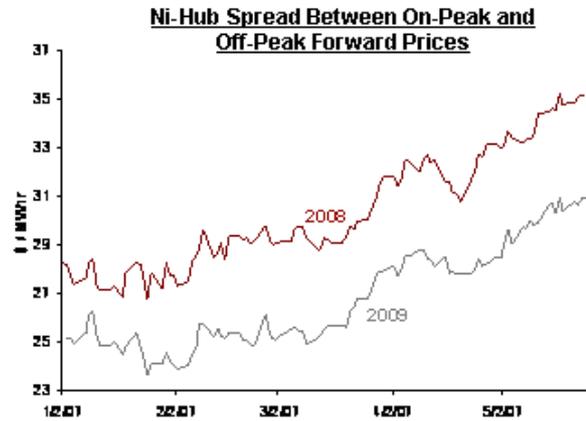
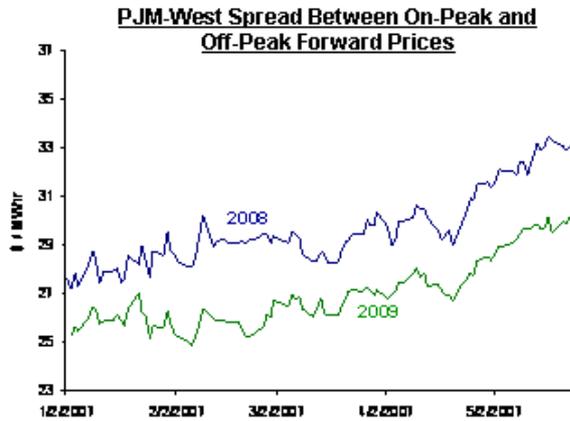
# Market Price Snapshot

As of May 21, 2007. Source: OTC quotes and electronic trading system. Quotes are average for month.



# Market Price Snapshot

As of May 21, 2007. Source: OTC quotes and electronic trading system. Quotes are average for month.

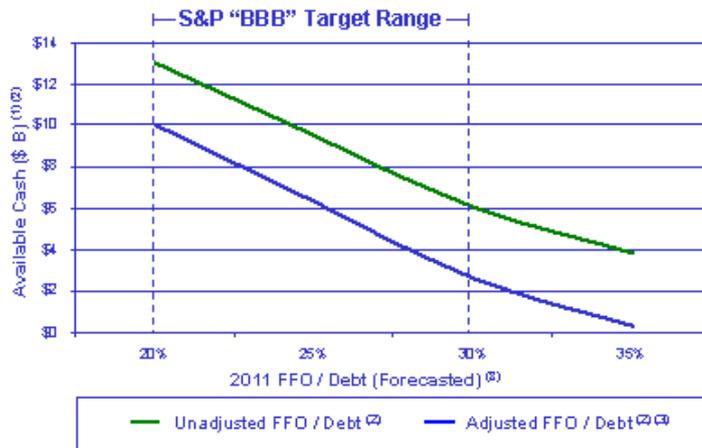


The spreads in 2008 and 2009 are both increasing, but the 2009 spread is smaller than 2008

**Exelon**®

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## 2011 Balance Sheet Capacity (Illustrative)



### Potential Uses of Balance Sheet Capacity

- Acquisitions or other growth opportunities
- Future unfunded liabilities
- Buffer against potentially lower commodity prices
- Share repurchases or other value return options

Exelon expects to create substantial incremental balance sheet capacity over the next five years, based on planning assumptions

① Available Cash = Cash Flow from Operations - CapEx - Dividends + Net Financings. Cash Flow from Operations = Net cash flows provided by operating activities less net cash flows used in investing activities other than capital expenditures. Net Financings (excluding Dividends) = Net cash flows used in financing activities excluding dividends paid on common stock. Assumes annualized dividend of \$1.76 per share in 2007, growing 5% annually, actual amount may vary, subject to board approval.  
 ② Assumes regulatory recovery plan at ComEd.  
 ③ See FFO Calculation and Ratio definitions in Appendix. Adjusted FFO / Debt includes: debt equivalent for purchased power agreements, unfunded pension and other postretirement benefits obligations, capital adequacy for energy trading, and related implied interest.

## Projected 2007 Key Credit Measures

		With PPA & Pension / OPEB <sup>(1)</sup>	Without PPA & Pension / OPEB	S&P Credit Ratings <sup>(2)</sup>	"BBB" Target Range <sup>(3)</sup>
<b>Exelon Cons:</b>	FFO / Interest	4.8x	6.2x	<b>BBB</b>	3.2x – 4.5x
	FFO / Debt	24%	32%		
	Rating Agency Debt Ratio	74%	68%		55% – 45%
	Adjusted Book Debt Ratio: 58%				
<b>Generation:</b>	FFO / Interest	8.2x	15.3x	<b>BBB+</b>	3.5x – 5.5x
	FFO / Debt	47%	98%		
	Rating Agency Debt Ratio	58%	37%		52% – 42%
	Adjusted Book Debt Ratio: 35%				
<b>ComEd:</b>	FFO / Interest	2.4x	2.6x	<b>BBB</b>	3.5x – 5.5x
	FFO / Debt	9%	11%		
	Rating Agency Debt Ratio	66%	59%		52% – 42%
	Adjusted Book Debt Ratio: 43%				
<b>PECO:</b>	FFO / Interest	3.9x	4.1x	<b>A-</b>	2.5x – 3.5x
	FFO / Debt	15%	15%		
	Rating Agency Debt Ratio	58%	55%		62% – 52%
	Adjusted Book Debt Ratio: 53%				

Exelon's balance sheet is strong

Notes: Exelon, ComEd and PECO metrics exclude securitization debt. See Appendix for FFO (Funds from Operations)/Interest, FFO/Debt and Adjusted Book Debt Ratio reconciliations to GAAP.

- ① Reflects S&P updated guidelines, which include imputed debt and interest related to purchased power agreements (PPA), unfunded pensions and other postretirement benefits (OPEB) obligations, and capital adequacy for energy trading. Debt is imputed for estimated pension and OPEB obligations by operating company.
- ② Current senior unsecured ratings for Exelon and Generation and senior secured ratings for ComEd and PECO as of 5/24/07.
- ③ Based on S&P Business Profiles: 7 for Exelon, 8 for Generation and ComEd, and 4 for PECO.

## FFO Calculation and Ratios

FFO Calculation
Net Income
Add back non-cash items:
+ Depreciation, amortization (including intangible amortization), AFUDC, Cap. Interest
+ Change in Deferred Taxes
+ Gain on Sale and Extraordinary Items
- Transmission Bond Principal Paydowns
= FFO

Debt to Total Cap	
<i>Adjusted Book Debt</i> Total Adjusted Capitalization	<i>Rating Agency Debt</i> Rating Agency Capitalization
Debt	Adjusted Book Debt
+ LTD	+ Off-balance sheet debt equivalents <sup>(1)</sup>
+ STD	
- Transmission Bond Principal Balance	
= Adjusted Book Debt	= Rating Agency Debt
Capitalization:	Total Adjusted Capitalization
+ Total Shareholders' Equity	- Goodwill
+ Preferred Securities of Subsidiaries	+ Off-balance sheet debt equivalents <sup>(1)</sup>
+ Adjusted Book Debt	- Equity adjustment for unfunded pension and OPEB obligations
= Total Adjusted Capitalization	= Total Rating Agency Capitalization

FFO Interest Coverage
$\frac{FFO + Adjusted Interest}{Adjusted Interest}$
Adjusted Interest
Net Interest Expense (Before AFUDC & Cap. Interest)
- Transmission Bond Interest Expense
+ 6% of Present Value (PV) of Operating Leases
+ Interest on Imputed debt related to PV of Purchased Power Agreements (PPAs), Unfunded Pension and Other Postretirement Benefits (OPEB) obligations, and Capital Adequacy for Energy Trading <sup>(2)</sup>
= Adjusted Interest

FFO Debt Coverage
$\frac{FFO}{Adjusted Debt^{(1)}}$
Adjusted Debt <sup>(1)</sup>
Debt
+ LTD
+ STD
- Transmission Bond Principal Balance
Add off-balance sheet debt equivalents:
+ AVR Financing
+ PV of Operating Leases
+ 70% of PV of Purchased Power Agreements <sup>(2)</sup>
+ Unfunded Pension and OPEB obligations <sup>(2)</sup>
+ Capital Adequacy for Energy Trading <sup>(2)</sup>
= Adjusted Debt

Note: FFO and Debt related to non-recourse debt are excluded from the calculations.

(1) Use current year-end adjusted debt balance.

(2) Metrics are calculated in presentation in adjusted and adjusted for debt equivalents and related interest for PPAs, unfunded Pension and OPEB obligations, and Capital Adequacy for Energy Trading.

## **Appendix – GAAP Reconciliation**

## GAAP EPS Reconciliation 2000-2002

<b>2000 GAAP Reported EPS</b>	<b>\$1.44</b>
Change in common shares	(0.53)
Extraordinary items	(0.04)
Cumulative effect of accounting change	--
Unicom pre-merger results	0.79
Merger-related costs	0.34
Pro forma merger accounting adjustments	(0.07)
<b>2000 Adjusted (non-GAAP) Operating EPS</b>	<b>\$1.93</b>
<b>2001 GAAP Reported EPS</b>	<b>\$2.21</b>
Cumulative effect of adopting SFAS No. 133	(0.02)
Employee severance costs	0.05
Litigation reserves	0.01
Net loss on investments	0.01
CTC prepayment	(0.01)
Wholesale rate settlement	(0.01)
Settlement of transition bond swap	--
<b>2001 Adjusted (non-GAAP) Operating EPS</b>	<b>\$2.24</b>
<b>2002 GAAP Reported EPS</b>	<b>\$2.22</b>
Cumulative effect of adopting SFAS No. 141 and No. 142	0.35
Gain on sale of investment in AT&T Wireless	(0.18)
Employee severance costs	0.02
<b>2002 Adjusted (non-GAAP) Operating EPS</b>	<b>\$2.41</b>

## GAAP EPS Reconciliation 2003-2005

<b>2003 GAAP Reported EPS</b>	<b>\$1.38</b>
Boston Generating impairment	0.87
Charges associated with investment in Sithe Energies, Inc.	0.27
Employee severance costs	0.24
Cumulative effect of adopting SFAS No. 143	(0.17)
Property tax accrual reductions	(0.07)
Enterprises' Services goodwill impairment	0.03
Enterprises' impairments due to anticipated sale	0.03
March 3 ComEd Settlement Agreement	0.03
<b>2003 Adjusted (non-GAAP) Operating EPS</b>	<b>\$2.61</b>
<b>2004 GAAP Reported EPS</b>	<b>\$2.78</b>
Charges associated with debt repurchases	0.12
Investments in synthetic fuel-producing facilities	(0.10)
Employee severance costs	0.07
Cumulative effect of adopting FIN 46-R	(0.05)
Settlement associated with the storage of spent nuclear fuel	(0.04)
Boston Generating 2004 impact	(0.03)
Charges associated with investment in Sithe Energies, Inc.	0.02
Charges related to proposed merger with PSEG	0.01
<b>2004 Adjusted (non-GAAP) Operating EPS</b>	<b>\$2.78</b>
<b>2005 GAAP Reported EPS</b>	<b>\$1.36</b>
Investments in synthetic fuel-producing facilities	(0.10)
Charges related to proposed merger with PSEG	0.03
Impairment of ComEd's goodwill	1.78
2005 financial impact of Generation's investment in Sithe	(0.03)
Cumulative effect of adopting FIN 47	0.06
<b>2005 Adjusted (non-GAAP) Operating EPS</b>	<b>\$3.10</b>

## GAAP Earnings Reconciliation Year Ended December 31, 2006

(in millions)	<u>ExGen</u>	<u>ComEd</u>	<u>PECO</u>	<u>Other</u>	<u>Exelon</u>
<b>2006 GAAP Reported Earnings (Loss)</b>	<b>\$1,407</b>	<b>\$(112)</b>	<b>\$441</b>	<b>\$(144)</b>	<b>\$1,592</b>
Mark-to-market adjustments from economic hedging activities	(61)	3	-	-	(58)
Investments in synthetic fuel-producing facilities	-	-	-	24	24
Charges related to now terminated merger with PSEG	8	4	10	36	58
Severance charges	9	4	4	1	18
Nuclear decommissioning obligation reduction	(89)	-	-	-	(89)
Recovery of debt costs at ComEd	-	(52)	-	-	(52)
Impairment of ComEd's goodwill	-	776	-	-	776
Recovery of severance costs at ComEd	-	(95)	-	-	(95)
Impairment of Generation's investments in TEG and TEP	1	-	-	-	1
<b>2006 Adjusted (non-GAAP) Operating Earnings (Loss)</b>	<b>\$1,275</b>	<b>\$528</b>	<b>\$455</b>	<b>\$(83)</b>	<b>\$2,175</b>

Note: Amounts may not add due to rounding

## GAAP EPS Reconciliation Year Ended December 31, 2006

	<u>ExGen <sup>(1)</sup></u>	<u>ComEd <sup>(1)</sup></u>	<u>PECO <sup>(1)</sup></u>	<u>Other <sup>(1)</sup></u>	<u>Exelon</u>
<b>2006 GAAP Reported EPS</b>	<b>\$2.08</b>	<b>(0.17)</b>	<b>0.65</b>	<b>(0.21)</b>	<b>\$2.35</b>
Mark-to-market adjustments from economic hedging activities	(0.09)	-	-	-	(0.09)
Investments in synthetic fuel-producing facilities	-	-	-	0.04	0.04
Charges related to now terminated merger with PSEG	0.01	0.01	0.01	0.05	0.09
Severance charges	0.01	0.01	0.01	-	0.03
Nuclear decommissioning obligation reduction	(0.13)	-	-	-	(0.13)
Recovery of debt costs at ComEd	-	(0.08)	-	-	(0.08)
Impairment of ComEd's goodwill	-	1.15	-	-	1.15
Recovery of Severance Costs at ComEd	-	(0.14)	-	-	(0.14)
<b>2006 Adjusted (non-GAAP) Operating EPS</b>	<b>\$1.88</b>	<b>\$0.78</b>	<b>0.67</b>	<b>(0.11)</b>	<b>\$3.22</b>

Note: Amounts may not add due to rounding

<sup>(1)</sup> Amounts shown per Exelon share and represent contributions to Exelon's EPS

## GAAP EPS Reconciliation 3 Months Ended March 31, 2006 and 2007

	<u>Exelon</u>
<b>2006 GAAP Reported EPS</b>	<b>\$0.59</b>
Mark-to-market adjustments from economic hedging activities	0.03
Investments in synthetic fuel-producing facilities	(0.02)
Charges related to now terminated merger with PSEG	0.01
Settlement of a tax matter at Generation related to Sithe	0.01
	<b>\$0.62</b>
<b>2007 Adjusted (non-GAAP) Operating EPS</b>	<b>\$1.07</b>
Mark-to-market adjustments from economic hedging activities	(0.10)
Investments in synthetic fuel-producing facilities	0.03
Gain on sale of Generation's investments in TEG and TEP	0.01
Settlement of a tax matter at Generation related to Sithe	0.01
	<b>\$1.02</b>
<b>2007 GAAP Reported EPS</b>	<b>\$1.02</b>

Note: Amounts may not add due to rounding

## 2007 Earnings Outlook

- ✓ **Exelon's outlook for 2007 adjusted (non-GAAP) operating earnings excludes the earnings impacts of the following:**
  - mark-to-market adjustments from economic hedging activities
  - investments in synthetic fuel-producing facilities
  - significant impairments of intangible assets, including goodwill
  - significant changes in decommissioning obligation estimates
  - other unusual items
  - any future changes to GAAP
- ✓ **GAAP guidance excludes the impact of unusual items which the Company is unable to forecast, including any future changes to GAAP**
- ✓ **Both our operating earnings and GAAP earnings guidance are based on the assumption of normal weather**

## **Reconciliation of Net Income to EBITDA**

### **Net income (loss)**

- +/- Cumulative effect of changes in accounting principle
- +/- Discontinued operations
- +/- Minority interest
- + Income taxes

### **Income (loss) from continuing operations before income taxes and minority interest**

- + Interest expense
- + Interest expense to affiliates
- Interest income from affiliates
- + Depreciation and amortization

### **Earnings before interest, taxes, depreciation and amortization (EBITDA)**