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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****December 12, 2006****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 – 37th Floor P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-7398	23-2990190
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
333-85496	EXELON GENERATION COMPANY, LLC (a Pennsylvania limited liability company) 300 Exelon Way Kennett Square, Pennsylvania 19348 (610) 765-6900	23-3064219

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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 December 12, 2006, Exelon Corporation (Exelon) will host its annual investor conference in Chicago, Illinois. Attached as Exhibit 99.1 to this Current Report on Form 8-K are the slides to be used at the conference. The slides include preliminary adjusted (non-GAAP) operating earnings guidance for 2007 for Exelon, Commonwealth Edison Company (ComEd), PECO Energy Company (PECO) and Exelon Generation Company, LLC (Generation). The slides also include GAAP earnings guidance for 2007 for Exelon.

In addition, Exelon announced via press release that the Board of Directors of Exelon had declared a regular first-quarter 2007 dividend of \$0.44 per share on Exelon's common stock, a 10% increase over the dividend for the fourth quarter of 2006. The press release is attached to the Current Report as Exhibit 99.2.

\* \* \* \* \*

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

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 Corporation's 2005 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: Exelon-Note 20, ComEd-Note 17, PECO-Note 15 and Generation-Note 17; (2) Exelon Corporation's Third Quarter 2006 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 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 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
99.2	Press release

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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  
PECO ENERGY COMPANY  
EXELON GENERATION COMPANY, LLC

/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 Corporation

December 12, 2006

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**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Presentation slides
99.2	Press release

# **Value Driven: Time and Again**

**John W. Rowe**

**Chairman, President & Chief Executive Officer**

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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 Corporation's 2005 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: Exelon-Note 20, ComEd-Note 17, PECO-Note 15 and Generation-Note 17; (2) Exelon Corporation's Third Quarter 2006 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, Commonwealth Edison Company, PECO Energy Company and Exelon Generation Company, LLC (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.

## Today's Agenda

8:00 a.m. – 8:45 a.m.	John Rowe – Welcome and Strategic Overview
8:45 a.m. – 9:30 a.m.	Jack Skolds – Operations Update
9:30 a.m. – 9:45 a.m.	Ian McLean – Power Marketing Update
9:45 a.m. – 10:15 a.m.	Break
10:15 a.m. – 10:45 a.m.	Barry Mitchell – ComEd Update
10:45 a.m. – 11:00 a.m.	Lisa Crutchfield – PECO Regulatory Update
11:00 a.m. – 11:30 a.m.	John Young – Financial Overview
11:30 a.m. – 12:00 p.m.	John Rowe – Wrap-up and Q&A
12:00 p.m. – 1:00 p.m.	Lunch and informal discussions

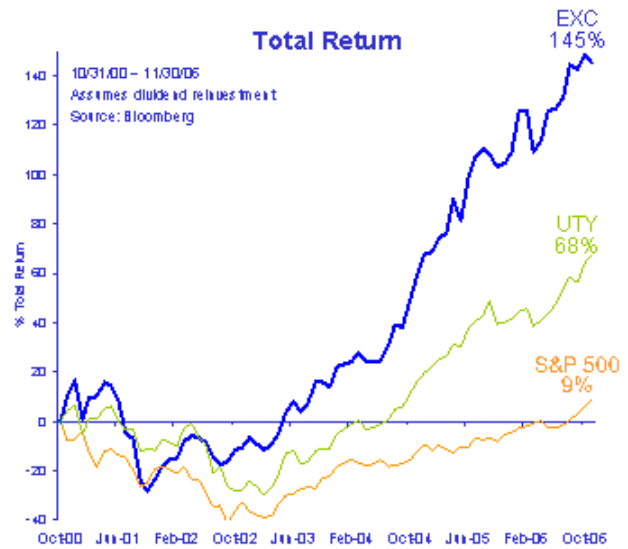
## Creating Shareholder Value

Operating Earnings per Share



① See appendix for reconciliation of adjusted (non-GAAP) operating EPS to GAAP EPS  
 ② 5-yr growth rate; calculated using 2000 operating EPS of \$1.93 as base year  
 ③ Revised 2006 Operating EPS Guidance (2/27/06) from \$3.00 - \$3.30 share

Total Return



2000 – 2005 average annual operating EPS growth is ~10%.  
 Six-year total return exceeds 145%.

## our 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.

## our goals

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- > Keep the lights on and the 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

## our values

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**Safety** – for our employees, our customers and our communities  
**Integrity** – the highest ethical standards in what we say and what we do  
**Diversity** – in ethnicity, gender, experience and thought  
**Respect** – trust and teamwork through open and honest communication  
**Accountability** – for our commitments, actions and results  
**Continuous improvement** – stretch goals and measured results

## Exelon's Strategic Direction

### Protect Today's Value

- Deliver superior operating performance
  - Keep the lights on
  - Continue nuclear excellence
- Support competitive markets
  - Maintain/bolster PJM
  - Step up advocacy
  - Encourage market-based new entry
    - Enhance auction construct
    - Participate in competitive new entry
- Protect the value of our generation
  - Optimize the generation portfolio
  - Hedge market risk appropriately
- Build healthy, self-sustaining delivery companies
  - ComEd – fight rate freeze legislation, seek long-term peace and drive path to financial health
  - PECO – maintain performance and prepare for 2011 transition to market

+

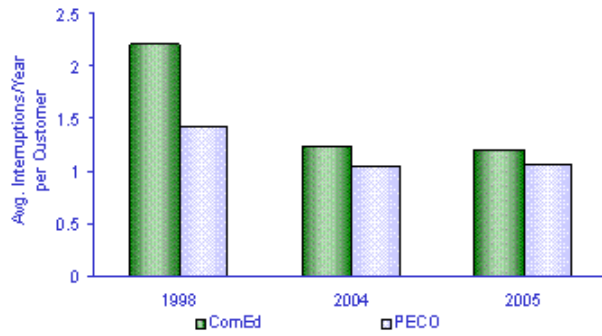
### Grow Long-Term Value

- Take the organization to the next level of performance
  - Foster positive employee relations
  - Require accountability for results and values
  - Acquire, develop and retain key talent
  - Continuously improve productivity
- Align our financial management policies with the changing profile of our company
- Rigorously evaluate new growth opportunities
  - Generation
  - Transmission
  - Distribution
- Advance an environmental strategy that leverages our carbon position

# Value Driven Operations

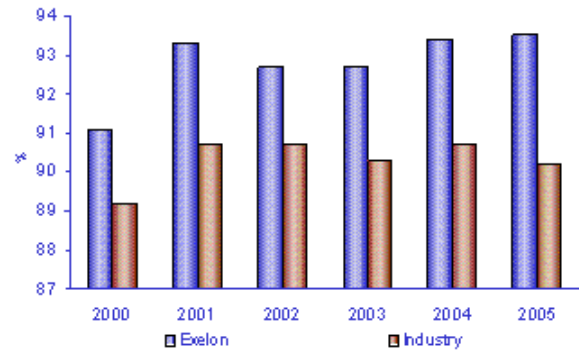
Keep the lights on and the gas flowing

Fewer Interruptions (Frequency)



Run the nuclear fleet at world-class levels

Nuclear Capacity Factor (2 Yr Avg)

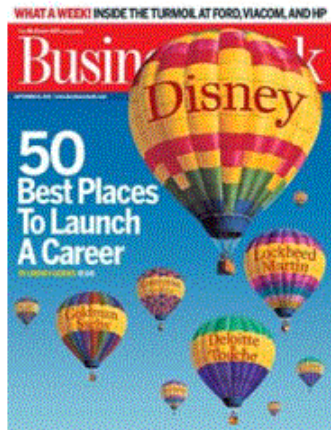


Capitalize on environmental leadership and clean nuclear energy

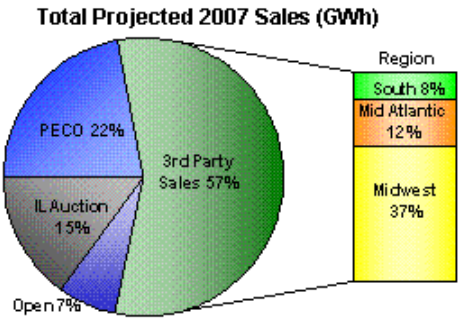


# Value Driven Operations

Create a rewarding and challenging workplace



Enhance the value of our generation



Build value through disciplined financial management



## **Will We Repeat the Cycle?**

***History does not always repeat itself.  
Sometimes it just yells, "Can't you  
remember anything I told you?"...***

*- John W. Campbell*



## We Must Protect Today's Value...

Deliver superior operating performance

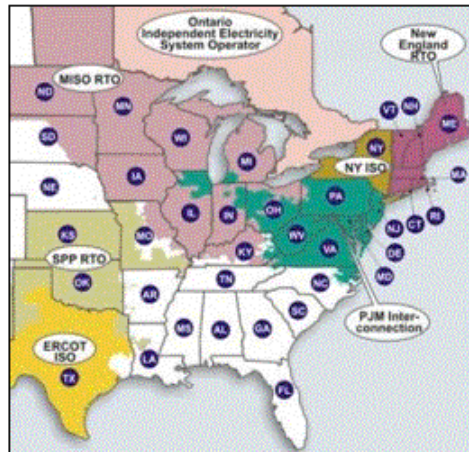
Protect the market value of our generation



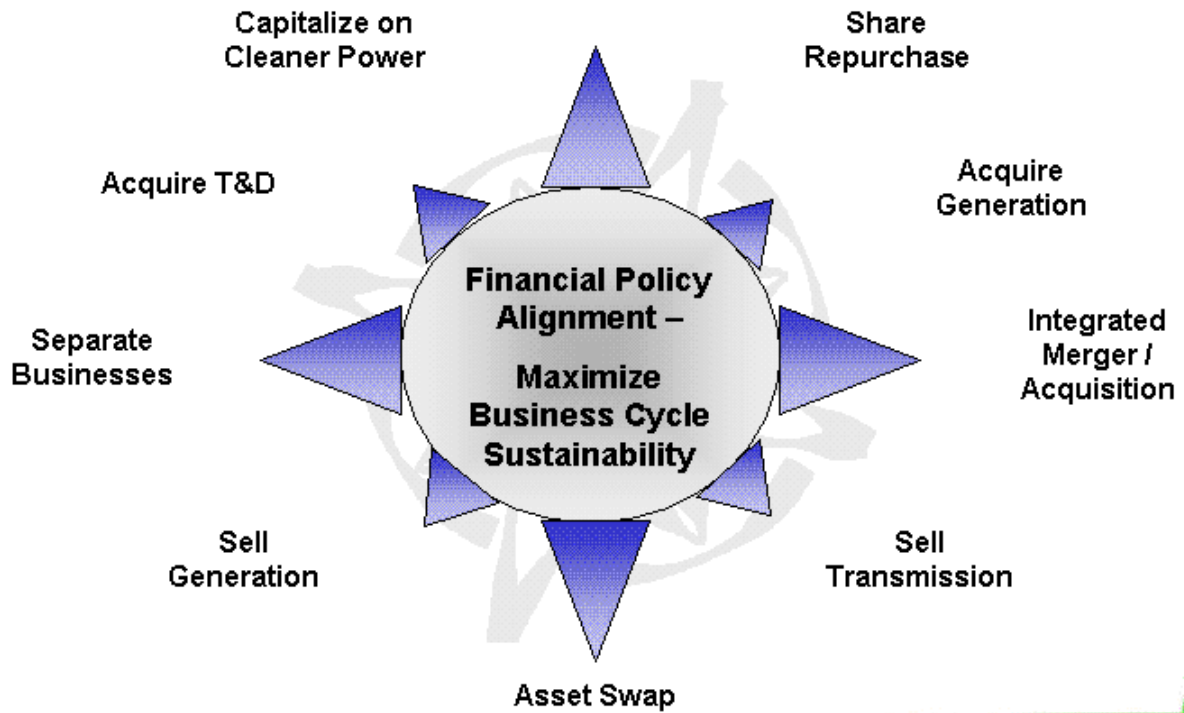
Build healthy, self-sustaining delivery companies



Support competitive markets



## ...And Build Long-Term Value



## A Time of Testing

"I propose to fight it out on this line,  
if it takes all summer."

ULYSSES S. GRANT



# **World-Class Operations**

**John L. Skolds**  
**President, Exelon Energy Delivery and**  
**President, Exelon Generation**

A decorative graphic element in the bottom right corner, consisting of a green shape that tapers to a point on the left and curves upwards on the right, with a blue shadow underneath it.

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# Multi-Regional, Diverse Company

Generating Plants	%MW
Nuclear	▲ 50
Hydro	◆ 5
Coal	■ 9
Intermediate	● 7
Peaker	+ 29

**ComEd**  
An Exelon Company  
Electricity Customers: 3.7M

**PECO**  
An Exelon Company  
Electricity Customers: 1.6M  
Gas Customers: 0.5M

**Midwest Capacity**  
Owned: 11,300 MW  
Contracted: 5,291 MW  
Total: 16,591 MW

**New England Capacity**  
Owned: 542 MW

**ERCOT/South Capacity**  
Owned: 2,299 MW  
Contracted: 2,900 MW  
Total: 5,199 MW

**Mid-Atlantic Capacity**  
Owned: 10,958 MW

**Exelon**  
Generation

**Total Capacity**  
Owned: 25,099 MW  
Contracted: 8,191 MW  
Total: 33,290 MW

Note: Megawatts based on Exelon Generation's ownership as of 12/31/05; excludes investments in two facilities in Mexico of 230 MWs.

## Exelon Operations

Exelon has a strong operational foundation

- ✓ Improving reliability across the board
  - Generation operations
  - T&D operations
- ✓ Management Model is basis for strong performance
- ✓ Exelon's model promotes
  - Sound fundamentals
  - Continuous improvement
  - Effective cost management
  - Consistent results

## Cost Management

- ✓ Facing upward cost pressures
  - Rising pension and benefit costs
  - Aging material condition and system expansion
  - Higher material and service costs
  - Nuclear fuel and security costs
- ✓ Investing in potential new generation development
- ✓ Continue current cost management initiatives and prudently pursue new ones
  - First, ensure safe and reliable operations
  - Continue to right-size and streamline organization
  - Assess non-operational spend
  - Evaluate long-term options to address pension and benefit costs
  - Timely rate recovery of delivery company spend

**Exelon**<sup>®</sup>

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Generation

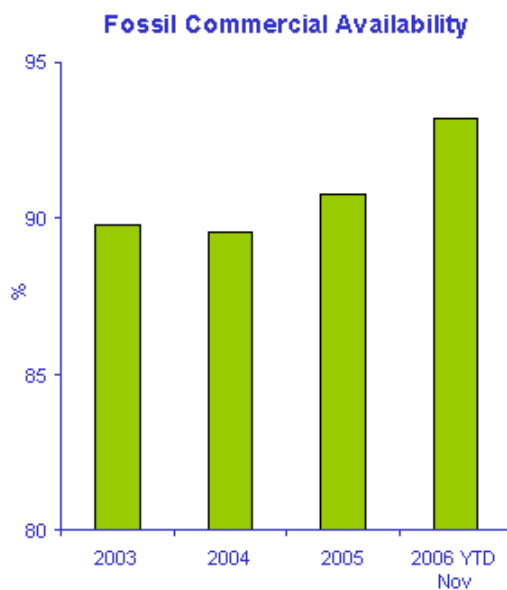


## Exelon Generation Value Proposition

- ✓ Generation has a well-balanced portfolio:
  - Large, low-cost, low-emissions, well-run nuclear fleet
  - Complementary and flexible fossil and hydro fleet
- ✓ Exelon Power and Exelon Nuclear have a track record of improving asset performance
- ✓ Generation business is uniquely positioned to capture value through:
  - Focusing on fundamentals of operating excellence and cost management
  - Realizing upside from expiration of below-market contracts in Illinois and Pennsylvania
  - Improving power market fundamentals

Exelon Generation captures market opportunities and rigorously manages risk through operational and commercial excellence

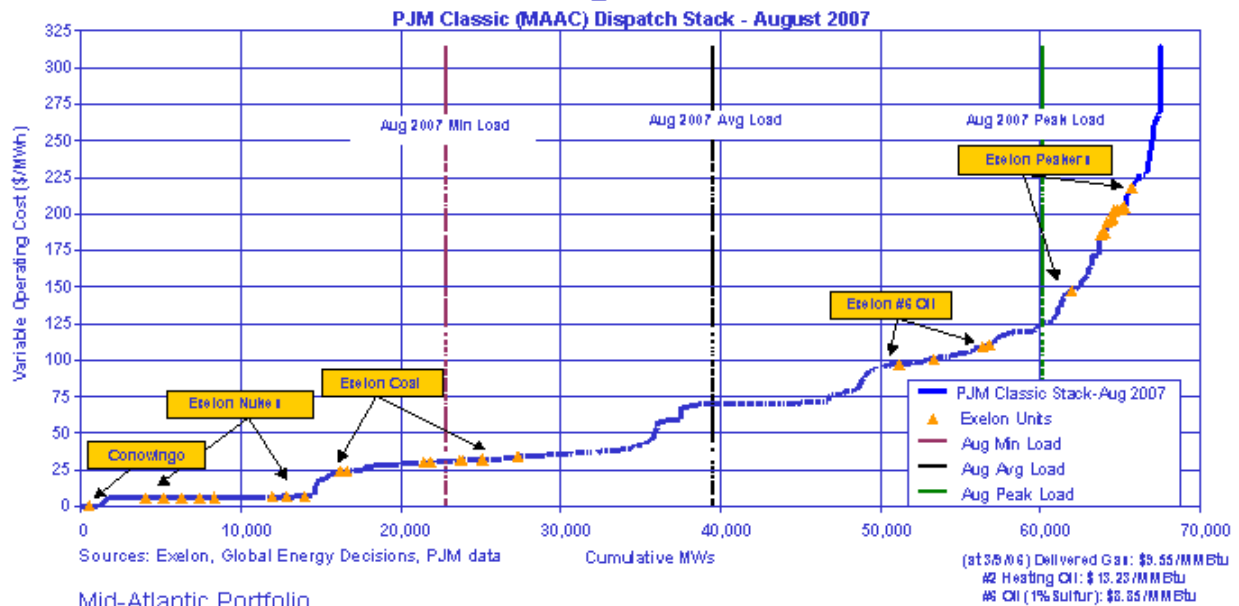
## Exelon Power - Reliability



- ✓ Exelon Power ensures plants are available when the market demands them
- ✓ Exelon Power capitalizes on market opportunities through:
  - Short start-up times on key units
  - Operational flexibility
  - Improved unit reliability, heat rate and capacity
  - Market-driven investment in plant improvements

Exelon Power helps reduce risk within the portfolio by maintaining a reliable fleet

## Exelon Power - Integral to Portfolio



### Mid-Atlantic Portfolio

- ✓ Intermediate and peaking units complement the baseload nuclear, coal, and hydro units, meet peak demand, support outages to help serve load and reduce exposure within the portfolio
- Exelon Power also operates merchant assets in Texas and Massachusetts

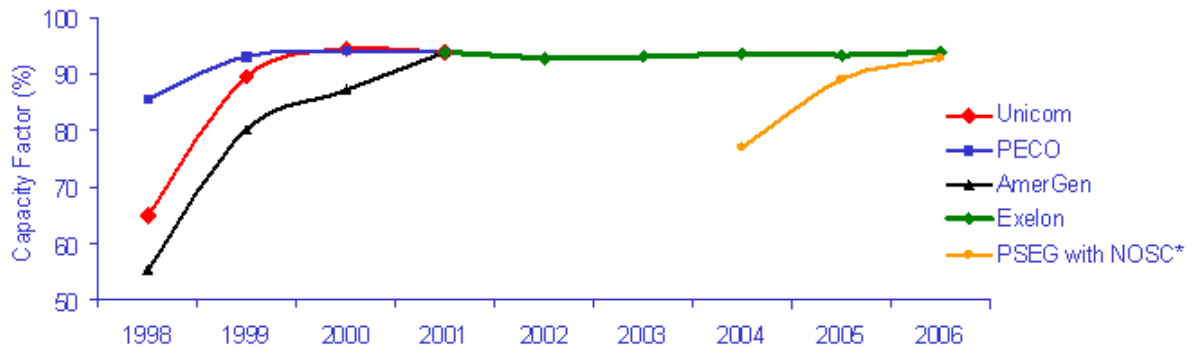
**Balanced, flexible portfolio**

## Exelon Power Going Forward

- ✓ Continue to analyze capital to ensure sound investments are being made for a reliable and flexible portfolio
  - Continue to invest to upgrade capacity of hydro units
- ✓ Continue to monitor environmental legislation and ensure compliance across the fleet
  - FGD (flue gas desulfurization) technology installation at Keystone
- ✓ Develop new generation
  - Long-term electricity supply requires a broad and balanced portfolio
  - Be ready to develop when the market sends the right signal
  - Ensure new generation will meet new environmental standards
- ✓ Evaluate opportunities in competitive regions where reserve margins are dropping

## Track Record of Nuclear Excellence

### Sustainability of Exelon Model



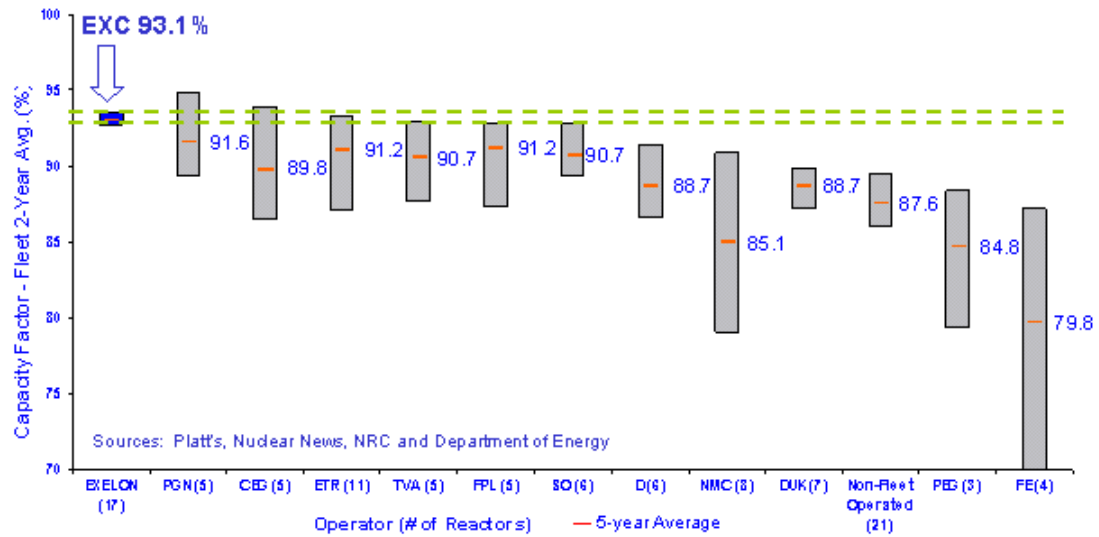
- ✓ Exelon Nuclear has implemented its Management Model in 20 units, with sustained excellent results
  - Capacity factor is consistently high
  - Production cost shows similar results

**The Exelon Nuclear model works – and is scalable**

\* Nuclear Operating Services Contract

# Superior Nuclear Operating Performance

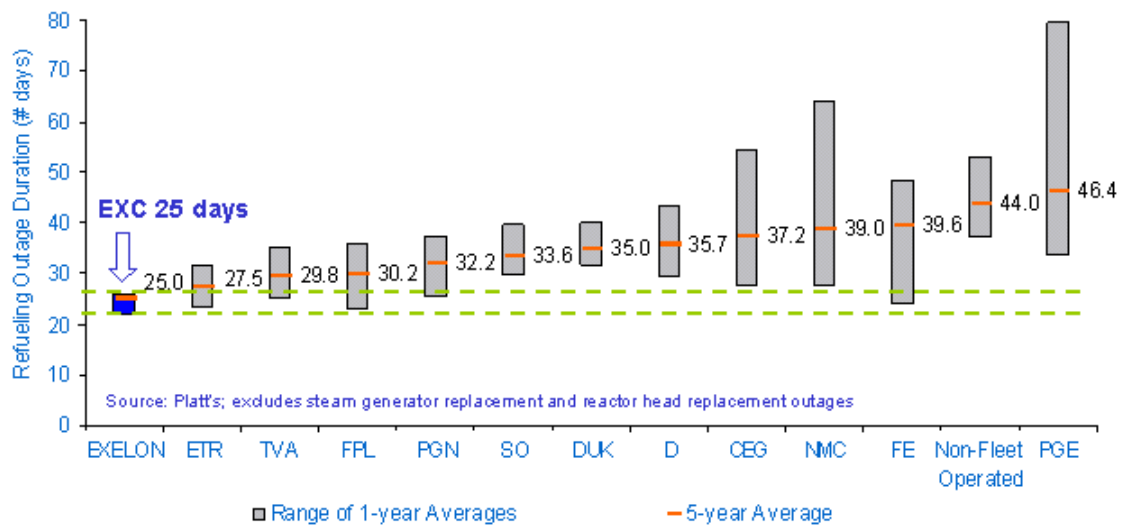
Range of Nuclear Capacity Factors (2001-2005)



**Exelon Nuclear's sustained reliability is a competitive advantage**

## Nuclear Performance - Refueling

Range of Nuclear Refueling Outage Durations (2001-2005)



Exelon Nuclear's refueling excellence drives higher generation

## Nuclear Operating Services Contract

- ✓ PSEG Nuclear Operating Services Contract (NOSC)
- ✓ Salem and Hope Creek have demonstrated significant performance improvement under NOSC
  - 95% November '06 YTD site capacity factor
  - 18% improvement in capacity factor since 2004
  - World and site record-setting refueling outage performance
  - 25% reduction in O&M spending since 2004
  - Resolution of long-standing equipment issues
  - Returned to normal NRC oversight after 3 years of increased scrutiny
- ✓ "Termination Transition Period" has been invoked under terms of NOSC
  - Orderly planned transition to terminate services and management support to PSEG
  - PSEG exercised option for two-year transition period; has option for additional year

Exelon is committed to a sustainable solution



## Nuclear Going Forward

- ✓ Recently announced intent to file Construction & Operating License (COL) in ERCOT by end of 2008
  - Preserves option to participate in Energy Policy Act incentives
  - Supports NRC resource planning
- ✓ New nuclear designs offer improved features, passive safety systems, competitive capital costs and shorter construction times
- ✓ ERCOT is an attractive market for new nuclear
- ✓ Exelon's phased approach allows for go/no-go decisions at major funding/commitment milestones

Exelon's conditions for new build remain unchanged;  
economics must be right

## **Exelon Generation Summary**

- ✓ Well-run generating fleet
- ✓ Significant nuclear cost advantage
- ✓ Focus on the fundamentals
- ✓ Well-positioned to respond to market demand
- ✓ Scalable management model
- ✓ Sustained track record of performance

**ComEd**<sup>®</sup>

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An Exelon Company

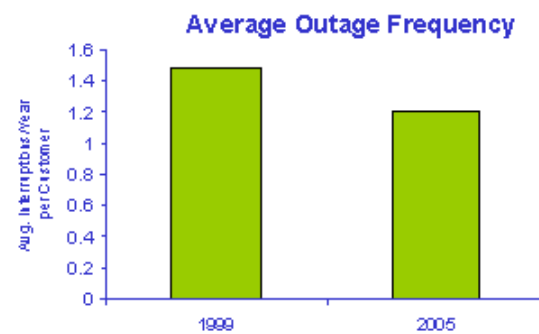
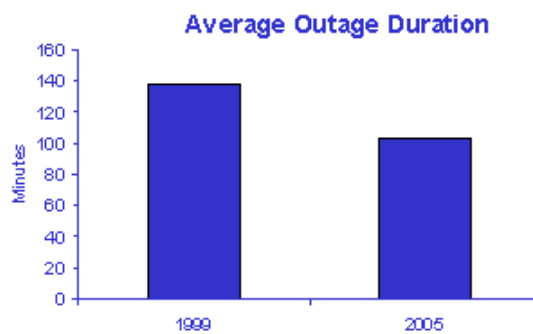


**PECO**<sup>®</sup>

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An Exelon Company

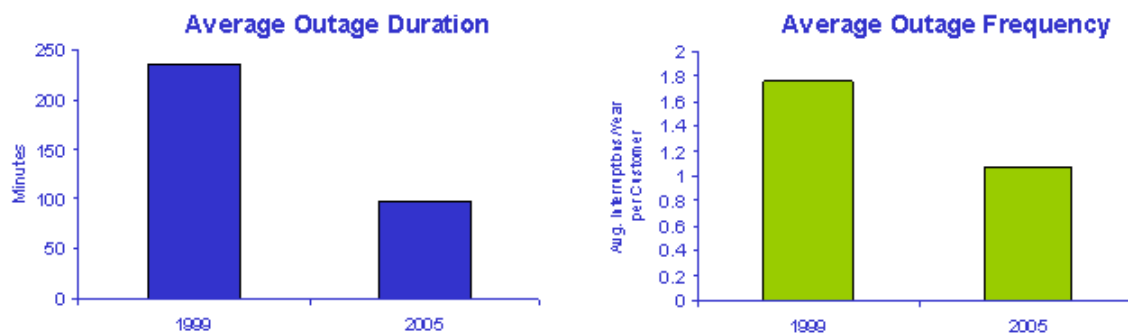
## ComEd – Operational Overview



- ✓ Improving trend in outage duration and frequency
  - Challenged by distribution material condition
- ✓ Transmission reliability among the best in the nation
- ✓ System reliability in top quartile amongst peer group

ComEd reliability has improved

## PECO – Operational Overview



- ✓ Improving trend in outage duration and frequency
  - Record storms in 2006 will impact that trend
- ✓ Transmission reliability among the best in the nation
- ✓ 2003-2005 Distribution reliability is top quartile amongst peer group
- ✓ 2006 non-storm reliability continues positive trend

PECO continues to deliver strong reliability

## Operations Update

### ✓ Customer Satisfaction

- Exelon achieved American Customer Satisfaction Index (ACSI) Proxy 2<sup>nd</sup> quartile in 2006
  - First time since company was formed
- PECO customer satisfaction is strong and improving
- ComEd customer satisfaction has improved since 1999
- Common customer information system will improve customer service and credit and collection management

Focus on customer satisfaction

## Operations Going Forward

- ✓ Material Condition Improvement
  - Underground Cable Replacement, Overhead Distribution Circuits, Fire Protection
- ✓ Automation
  - Distribution Sectionalizing, Philadelphia Center City Network Upgrade, Re-closers
- ✓ Reliability Programs
  - Vegetation Management, Top Priority Circuits
- ✓ Emergency Response
  - Mobile Dispatch, Emergency Preparedness
- ✓ Capacity Investment
  - New Substations and Transmission Lines

System initiatives are leading to reliability improvement

## PECO - Solid Business Profile

- ✓ Consistently solid operational and financial results over the past five years
- ✓ Predictable source of earnings through remainder of transition period
  - No plans for T&D rate increases through 2010 – will continue to monitor
  - Full requirements contract
- ✓ Annual electric and gas load growth is stable and in line with historical trends
- ✓ Manageable capital expenditures support ongoing operations
- ✓ Focus on post-2010

PECO is well positioned for the remainder of the transition period



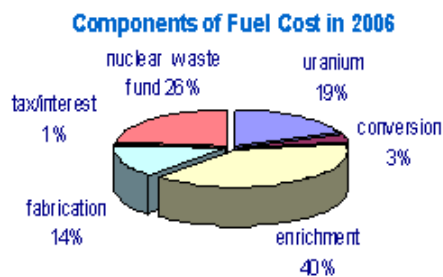
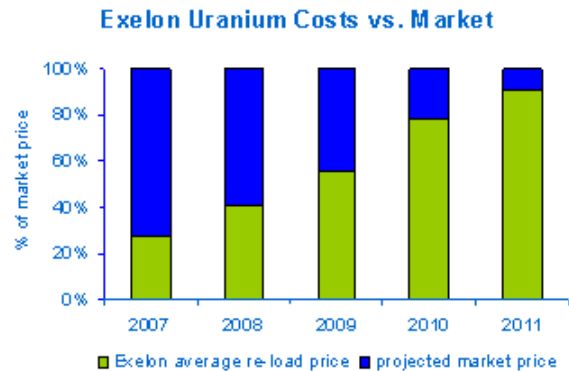
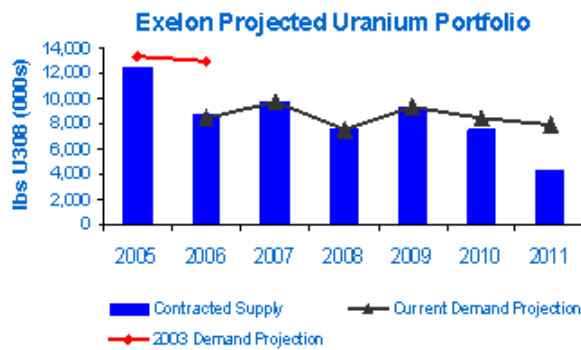
## Operations Summary

- ✓ Strong Operational Foundation
  - Focused on reliability and cost management
- ✓ Generation company: uniquely positioned to capture market opportunities through operational and commercial excellence
- ✓ Delivery companies: maintain operational focus and prepared for effective transitions

# Appendix



## 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 fundamentals in \$30-35 range due to new uranium production

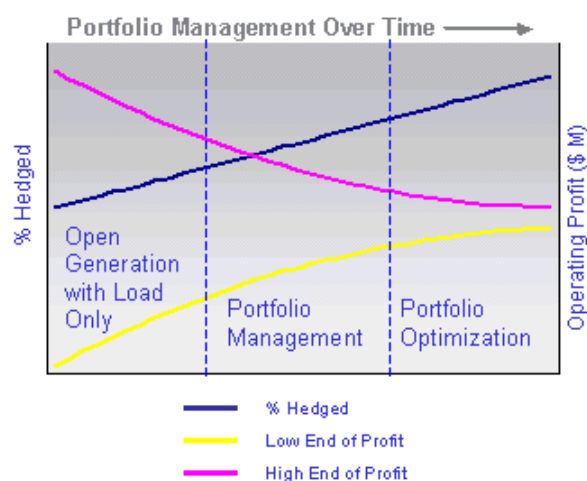
**Exelon Nuclear is managing fuel costs**

# **Enhancing the Value of Our Generation**

Ian McLean  
President, Power Team

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## Portfolio Management



**Power Team has employed a number of successful commodity hedging strategies to optimize Exelon Generation's earnings**

- ✓ Supplemented portfolio with load following products
- ✓ Maintained length for opportunistic sales
- ✓ Used physical and financial fuel products to manage variability in fossil generation output
- ✓ Deployed option strategies in the Midwest and Mid-Atlantic to protect against retail load switching and price volatility

**Power Team manages the interaction between Exelon Generation supply and EED / market demand in order to reduce earnings risk and optimize profitability**

## Commodity Hedging Targets

Target Financial Hedge* Range		
Prompt Year	Second Year	Third Year
90% - 98%	70% - 90%	50% - 70%

\*Definition

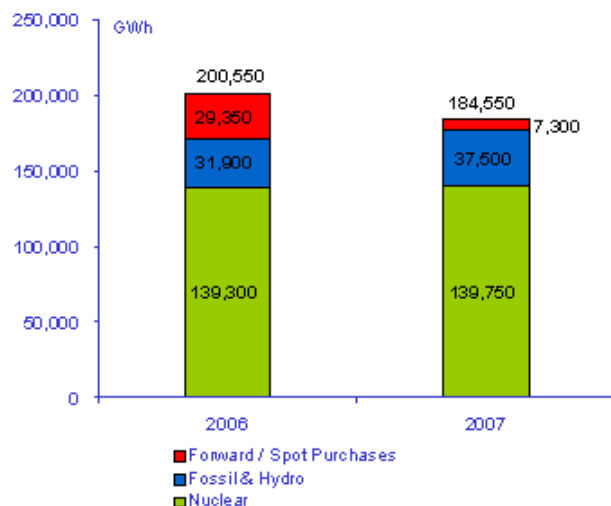
Percent Financially Hedged is our estimate of the gross margin that is not at risk due to a market price drop and assuming normal generation operating conditions. The formula is:  $1 - (\text{Gross margin at the 5}^{\text{th}} \text{ percentile} / \text{Expected Gross margin})$ .

- ✓ Hedging reduces earnings risk created by market and portfolio uncertainties
- ✓ Link program requirements to:
  - Future cash requirements: capital expenditures, debt payments
  - Credit objectives
  - Value return policy
- ✓ Consider various sources of risk
  - Market, Credit, Operational

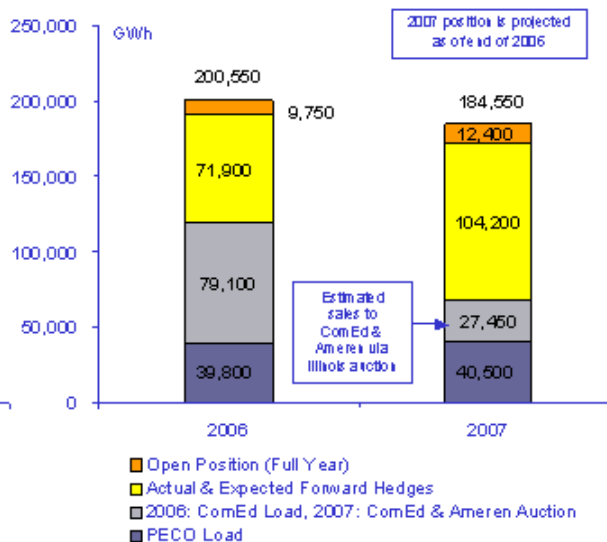
Flexibility in our targeted financial hedge ranges allows us to be opportunistic while mitigating downside risk

## Total (Annual) Portfolio Characteristics

Expected Total Supply



Expected Total Sales



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

## Illinois Auction Results

### ✓ Timeline

- Sept 5: Descending clock auction competitive bidding process began
- Sept 15: ICC approved the results of the fixed price auction
- Dec 6: ICC released results and report on the auction process
- Jan 2008: Next auction held

### ✓ Overall Results

- 21 registered bidders, with 16 companies winning fixed-price tranches

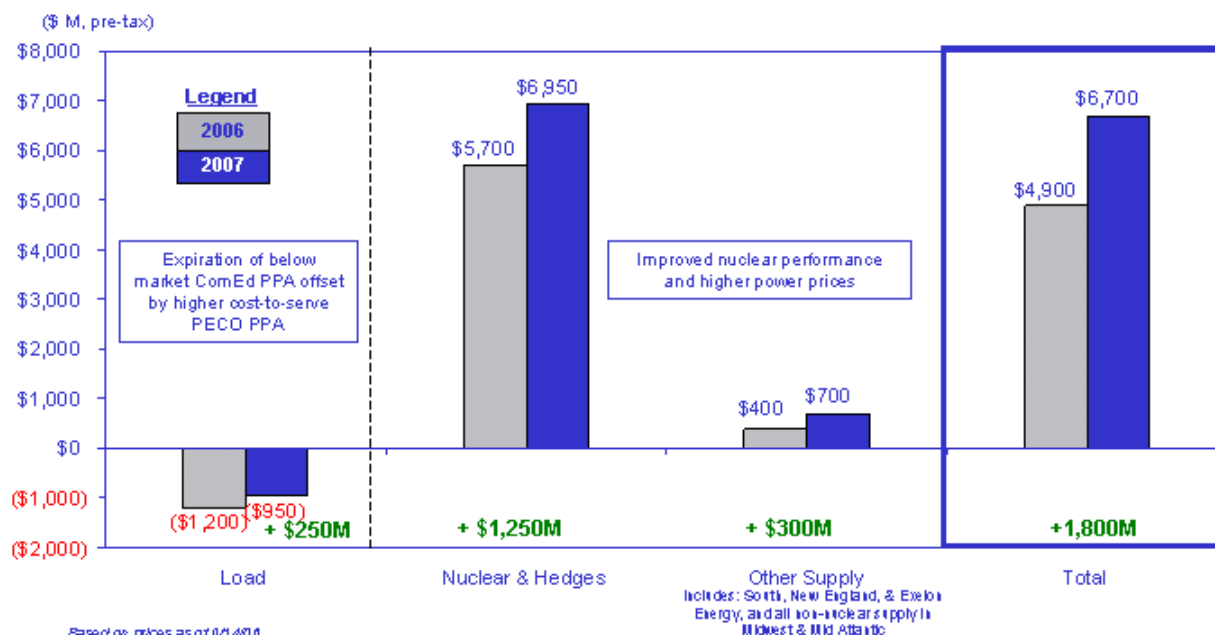
### ✓ Exelon Generation Results

Load Recipient	ComEd	ComEd	ComEd	Ameren
Auction Product	CPP A-17	CPP B-29	CPP B-41	BGS LFP-17
Start Date	Jan 1, 2007	Jan 1, 2007	Jan 1, 2007	Jan 1, 2007
End Date	May 31, 2008	May 31, 2009	May 31, 2010	May 31, 2008
Duration	17 months	29 months	41 months	17 months
Tranches Won	1	38	89	10
Clearing Price (\$/MWh)	\$90.12	\$64.00	\$63.33	\$84.95

ICC Staff's report concluded that the "auction was conducted in a transparent, equitable, and highly professional manner consistent with both the Commission orders in the Procurement Docket and the Auction Rules"



## Total Portfolio Revenue Net Fuel



**Total Portfolio Revenue Net Fuel Increase ('06-'07): ~\$1,800M**

## Enhancing the Value of Our Generation

- ✓ Power Team optimizes the value of Exelon Generation's portfolio by utilizing its core strengths:
  - Industry Experience
  - Financial Discipline
  - Market Knowledge
  - Teamwork
  - Processes

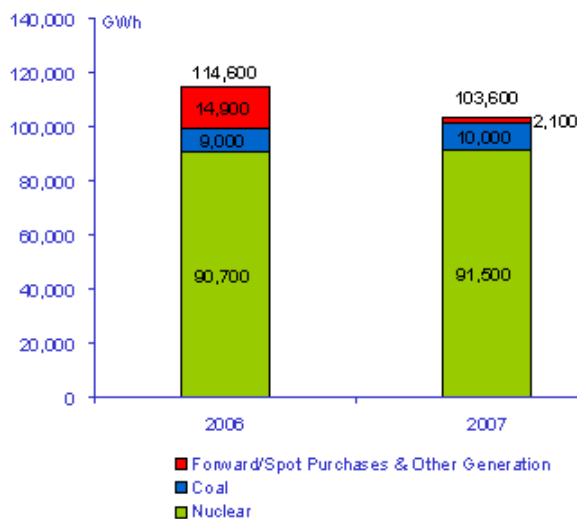
Power Team creates value by protecting the portfolio against downside risk, while capturing the upside and translating operational excellence into earnings

# Appendix

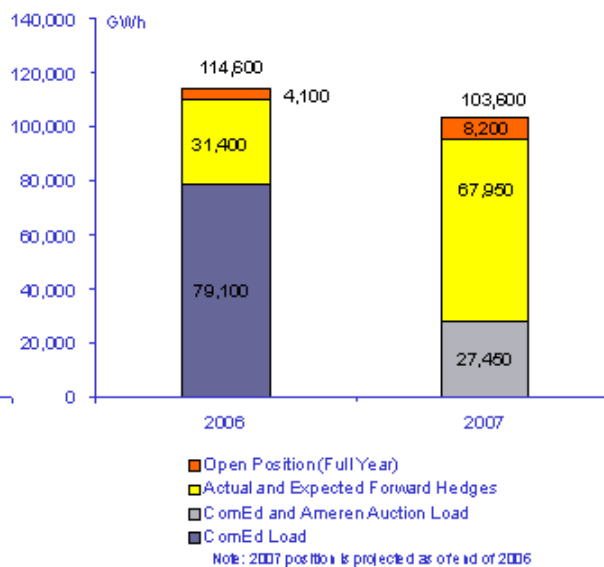


## Midwest Portfolio Characteristics

**Expected Midwest Supply**

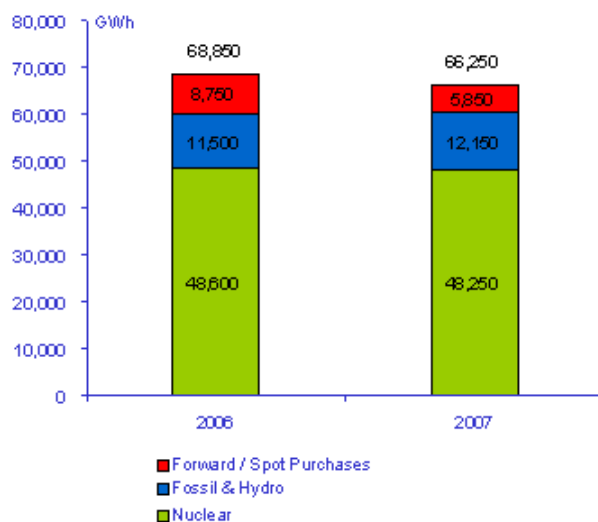


**Expected Midwest Sales**

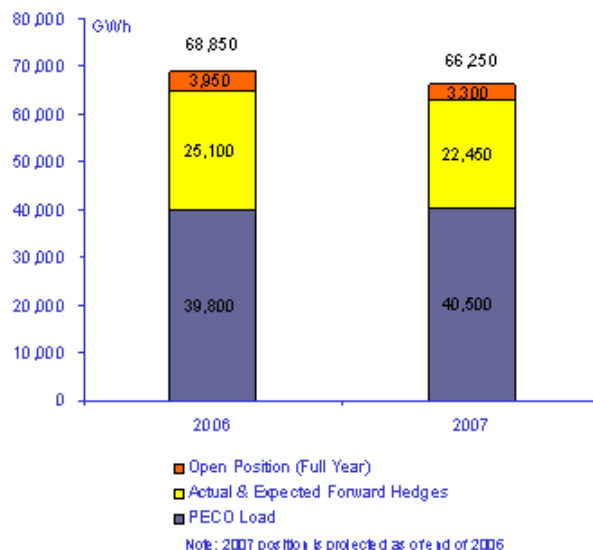


## Mid-Atlantic Portfolio Characteristics

**Expected Mid-Atlantic Supply**

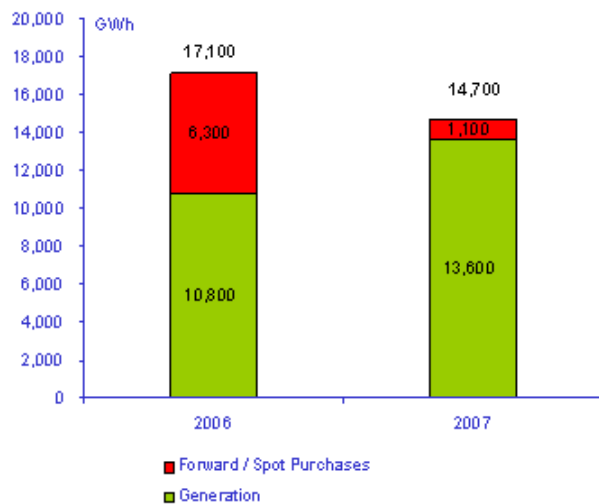


**Expected Mid-Atlantic Sales**

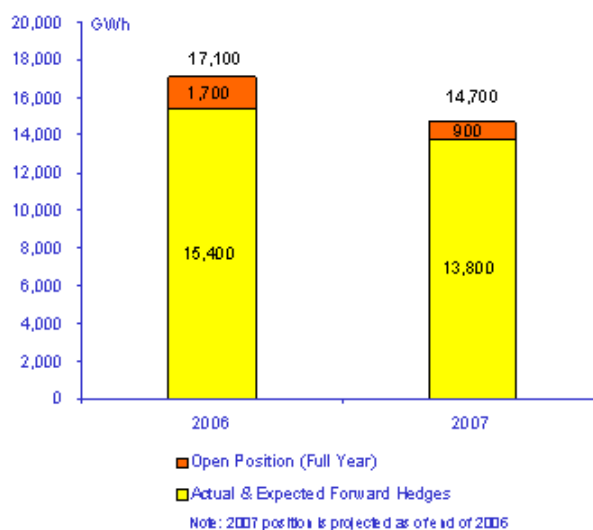


## South Portfolio Characteristics

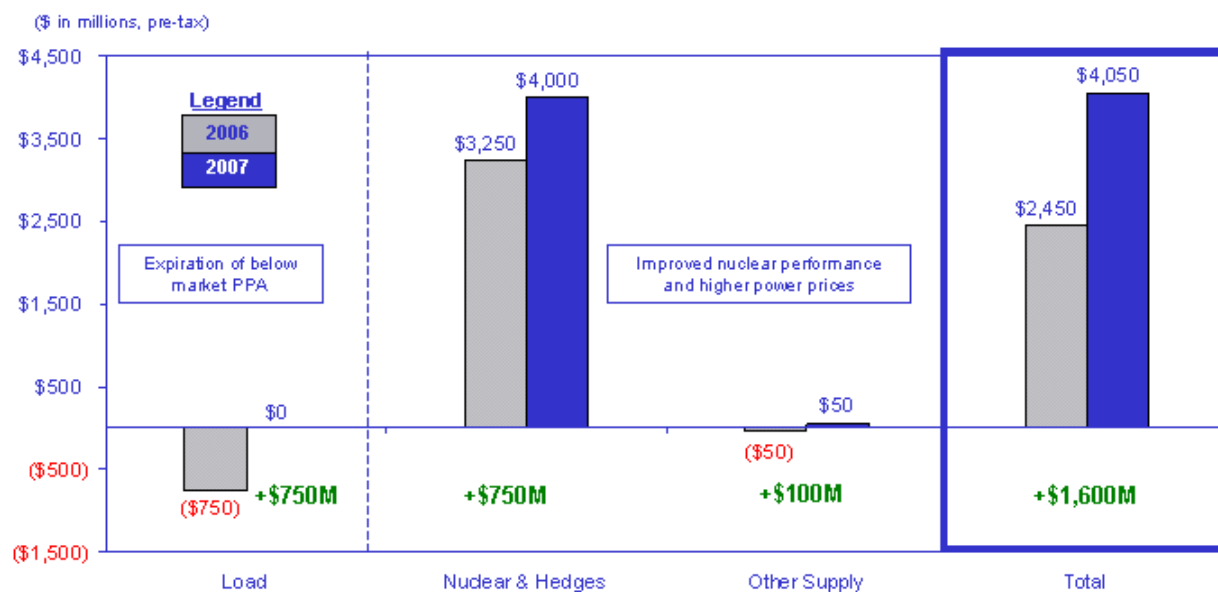
### Expected South Supply



### Expected South Sales



## Midwest Revenue Net Fuel

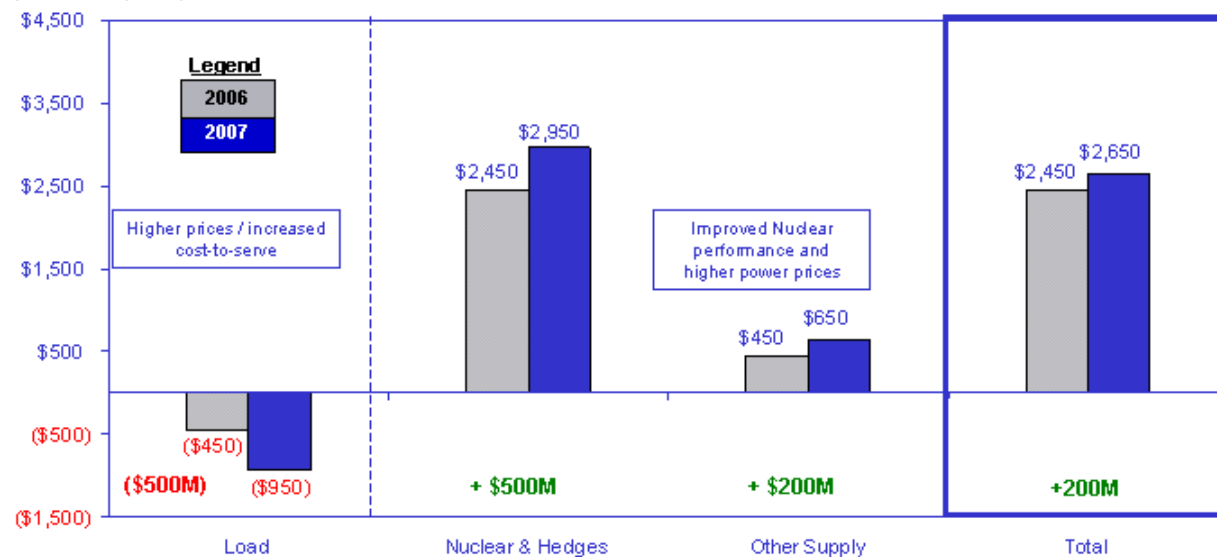


Based on prices as of 01/4/07

**Midwest Revenue Net Fuel Increase ('06-'07): ~\$1,600M**

## Mid-Atlantic Revenue Net Fuel

(\$ in millions, pre-tax)

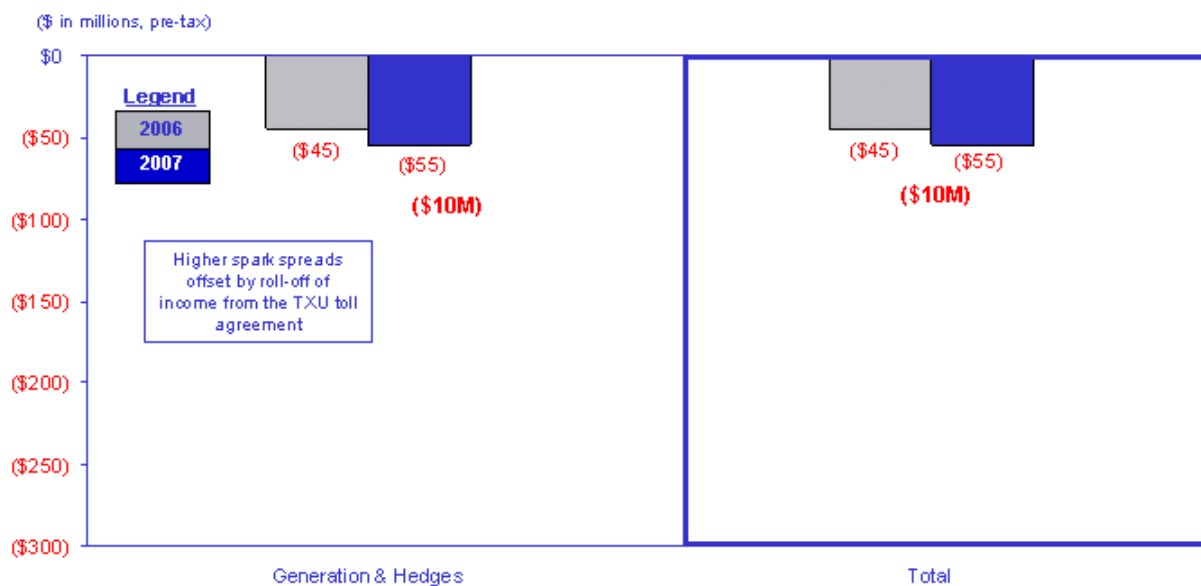


Based on prices as of 07/30/07

**Mid-Atlantic RNF Increase ('06-'07): ~\$200M**



## South Revenue Net Fuel



Based on prices as of 01/4/07

**Total Portfolio RNF Decrease ('06-'07): ~(\$10)M**

## Overall Illinois Auction Results

- ✓ 14 winning bidders for the ComEd products and 9 winning bidders for the Ameren products
- ✓ Exelon Generation won up to the 35% load cap for the ComEd products

Month:	ComEd (CPP)				Total	Ameren (BGS)				Grand Total	
	0 - 400 kW			400 kW - 3 MW		0 - 1 MW (Month)			> 1MW		
	B-17	B-29	B-41	A-17		FP-17	FP-29	FP-41	LFP-17		
Ameren Energy					0	6	15	15	10	46	46
AEP	3			5	8				2	2	10
Connectiv		6	1	3	10					0	10
Constellation		3		22	25		10	18	12	40	65
DTE	3	4		3	10		3			3	13
Dynegy					0	24	4			28	28
Edison Mission	19	22			41					0	41
Energy America	4				4					0	4
ExGen		38	89	1	128				10	10	138
FPL	6			9	15					0	15
J. Aron & Co.	15	10			25	5				5	30
JP Morgan	27	4	1		32		7			7	39
Morgan Stanley	6			37	43				3	3	46
PPL	6	6	2		14					0	14
Sempra				8	8					0	8
WPS	3				3					0	3

Source: NERA Economic Consulting, December 2005

## Reliability Pricing Model (RPM) Update

✓ **Timeline:**

- September 29th: RPM settlement reached in principle by the significant majority of parties and subsequently filed with FERC
- December 22nd: FERC ruling expected
- June 2007: Implementation by PJM

✓ **Key features of settlement:**

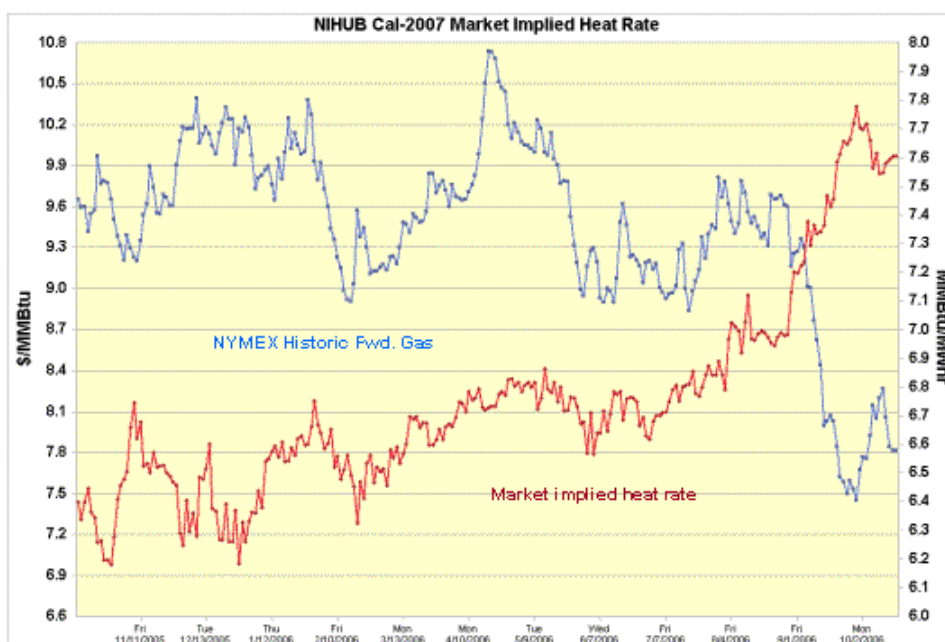
- 3-year forward capacity procurement through an auction
- Locational markets
- Demand curve

✓ **Benefits to Exelon Generation:**

- Locational markets in the East
- More consistent, predictable and transparent forward capacity prices

Generators (including Exelon Generation) are poised to benefit from the implementation of PJM's Reliability Pricing Model

## Commodity Hedging Example



Power Team utilized put options in power and natural gas to smoothly transition to the load auction. The recent increase in market implied heat rates enhanced the value of our gas hedge.

## 2007 Around-the-Clock Historical Forward Prices

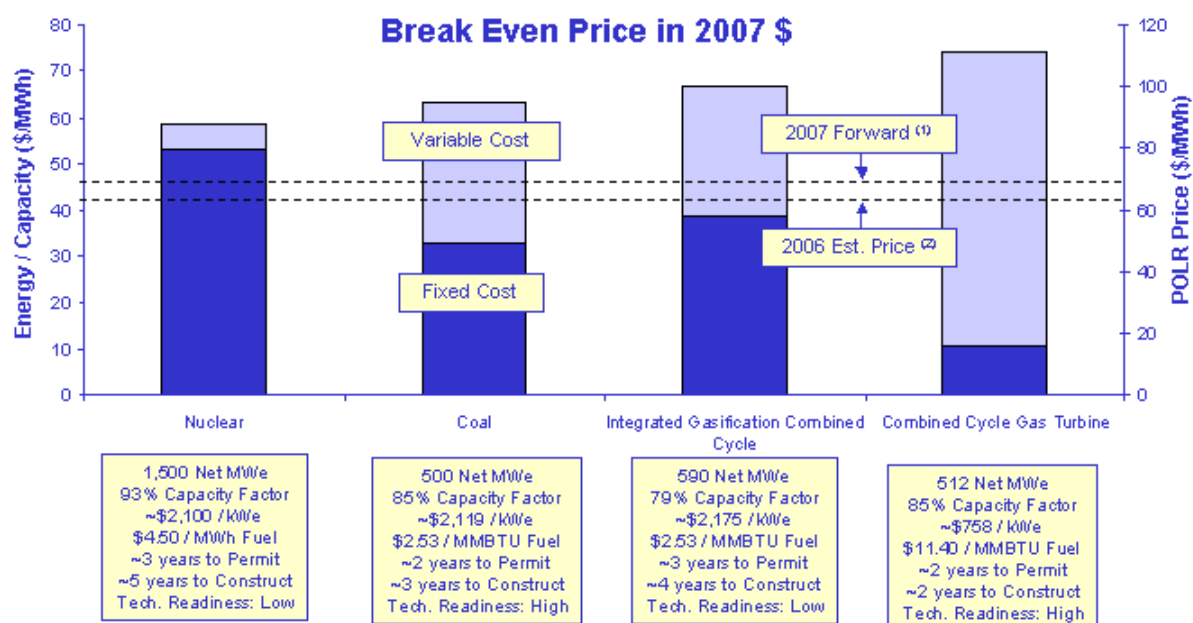


## Current Market Prices

<b>PRICES (as of November 30, 2006)</b>	<b>Units</b>	<b>2004 <sup>1</sup></b>	<b>2005 <sup>1</sup></b>	<b>2006 <sup>5</sup></b>	<b>2007 <sup>6</sup></b>	<b>2008 <sup>6</sup></b>
PJM West Hub ATC	(\$/MWh)	42.35 <sup>2</sup>	60.92 <sup>2</sup>	52.30	61.24	61.83
PJM NiHub ATC	(\$/MWh)	30.15 <sup>2</sup>	46.39 <sup>2</sup>	42.39	46.37	46.66
NEPOOL MASS Hub ATC	(\$/MWh)	52.13 <sup>2</sup>	76.65 <sup>2</sup>	61.12	78.46	78.79
ERCOT North On-Peak	(\$/MWh)	49.53 <sup>3</sup>	76.90 <sup>3</sup>	61.66	79.80	80.05
Henry Hub Natural Gas	(\$/MMBTU)	5.85 <sup>4</sup>	8.85 <sup>4</sup>	6.87	8.68	8.70
WTI Crude Oil	(\$/bbl)	41.48 <sup>4</sup>	56.62 <sup>4</sup>	65.83	67.16	69.91
PRB 8800	(\$/Ton)	5.97	8.06	13.04	9.80	11.90
NAPP 3.0	(\$/Ton)	60.25	52.42	43.88	43.75	44.75
<b>ATC HEAT RATES (as of November 30, 2006)</b>						
PJM West Hub / Tetco M3	(MMBTU/MWh)	6.40	6.30	7.00	6.33	6.33
PJM NiHub / Chicago City Gate	(MMBTU/MWh)	5.52	5.52	6.36	5.43	5.41
ERCOT North / Houston Ship Channel	(MMBTU/MWh)	7.53	8.21	8.31	8.30	8.20

1. 2004 and 2005 are actual settled prices.
2. Real Time LMP (Locational Marginal Price)
3. Next day over-the-counter market
4. Average NYMEX settle prices
5. 2006 information is a combination of actual prices through November 30, 2006 and market prices for the balance of the year
6. 2007 and 2008 are forward market prices as of November 30, 2006

## New Construction



# ComEd Update

J. Barry Mitchell  
President, ComEd



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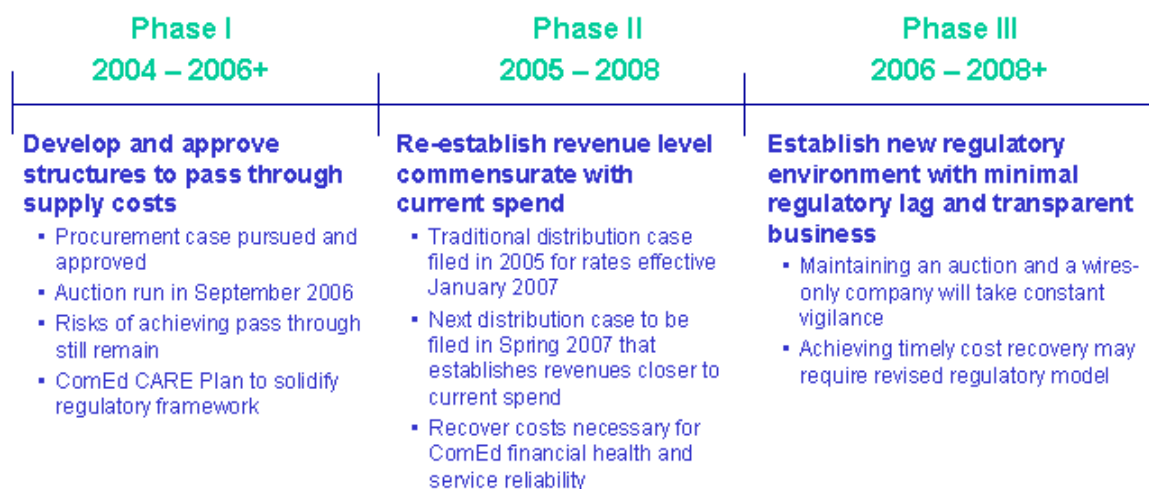


## Key Messages

- ✓ **In 2007, ComEd becomes a “wires-only” business with power cost pass through – transition is challenging**
  - Auction process approved and implemented for electricity supply
  - In the absence of appropriate rate recovery, significant investment in the delivery infrastructure and increased operating costs will result in weak financial outlook for 2007
  - Price increases after nearly 10-year freeze have resulted in varied reactions – company has offered phase-ins, some opponents have suggested rate freeze
- ✓ **Near-term strategy is to**
  - Maintain operational performance
  - Seek rate recovery of investments in delivery system and increased costs
  - Vigorously oppose adverse legislation
  - Maintain procurement cost pass-through model
- ✓ **Longer term, regulatory strategy to improve cost recovery and minimize regulatory lag will be implemented to return to traditional utility returns**

## Regulatory Plan Summary

Transitioning from vertically integrated structure with an extended rate freeze to a regulated distribution-only utility while maintaining ComEd's short-term and long-term stand-alone financial viability requires three overlapping phases:



## **Important ComEd Milestone: Purchased Power Cost Recovery**

- ✓ **IL Commerce Commission (ICC) authorized recovery of purchased power costs in the Distribution Case Rate Order – July 2006**
- ✓ **Illinois auction results approved – September 2006**
  - Culmination of nearly 3-year process to approve procurement methodology
  - 16 winning suppliers in the auction
  - Suppliers were limited to winning no more than 35% of each section of the auction
  - ComEd has entered into contracts with winning suppliers
  - Resulted in customer rates lower than those in 1995

## Distribution Case Update

- ✓ **ICC July 2006 Order: \$8M increase**
  - Administrative Law Judges' (ALJs') Proposed Order: \$164M
  - ComEd's request: \$317M
- ✓ **Due to ICC Order, ComEd and Exelon recorded after-tax impairment charge to goodwill of \$776M in 3Q06**
- ✓ **On August 30, ICC voted 5-0 to grant key elements of ComEd's rehearing request (ICC has 150 days to complete rehearing process)**
- ✓ **Key issues on rehearing:**

Administrative & General Expenses	\$62.0M
Pension Asset	\$25.4 - \$34.6M
Common Equity Ratio	\$17.0M
ROE	\$5.4M
Total	\$109.8 - \$119.0M

- ✓ **ICC order anticipated by year-end**

## **Residential Rate Stabilization Case Update**

- ✓ **On August 29, ComEd submitted modified plan that ICC Staff supports:**
  - For residential customers, "10/10/10" caps 2007 to 2009; deferral recovery 2010 to 2012 with 6.5% annual carrying charge
  - Optional phase-in plan (residential customers may "opt-in" through August 22, 2007)
- ✓ **On October 25, ALJ recommended ICC approval of ComEd's plan**
- ✓ **ICC decision anticipated in December 2006**
- ✓ **Recent legislative proposals that include alternative phase-in plans may have an impact on timing or nature of ICC decision**

## Legislative Update

- ✓ In October, IL House Speaker requested special session to try to enact a 3-year rate freeze extension
- ✓ November veto session provided additional opportunity
  - Three-year freeze legislation was passed by House Electric Oversight Committee, but did not receive necessary 3/5 vote in House
  - Other versions of freeze legislation were proposed with various extension time periods
- ✓ Senate President proposed compromise rate phase-in plan
  - Residential customers only, mandatory plan; rate caps would allow for increases of 7% in 2007, an additional 7% in 2008, and an additional 8% in 2009 with no carrying charges on deferred costs
  - Proposed legislation was passed by Senate with required 3/5 vote, but has not been called for vote by House
- ✓ Issues may carry on into January and the Spring legislative session
- ✓ Implications of a rate freeze extension (if proposed legislation were enacted and upheld)
  - ComEd would pay substantially more for its purchased power and operating costs than it would be allowed to collect
  - Would result in a significant cash flow deficit which would ultimately drive ComEd into insolvency and bankruptcy

## **If Freeze Legislation Passes, ComEd Would Aggressively Pursue Legal Remedies**

- ✓ **Challenge the law on constitutional grounds by seeking injunction**
- ✓ **ComEd will decide course of action and has choice of forum for challenge**
  - Federal court; followed by bankruptcy, if necessary
  - Bankruptcy court
- ✓ **Strong legal case in either forum**
  - ComEd constitutionally entitled to recover just and reasonable costs; ICC found rates just and reasonable
  - Law violates Takings Clause of U.S. Constitution – the law takes ComEd's property without just compensation
  - If law is enjoined, ICC-approved rates go into effect

## **Future Rate Cases**

- ✓ **A transmission rate case is anticipated to be filed with FERC in early 2007 with rates effective later in 2007**
  - Increase request driven by major transmission project – West Loop TSS (approximately \$325 million investment)
  - Increase to total customer bill likely to be less than 1%
- ✓ **Distribution rate case is anticipated to be filed with ICC in 2nd quarter 2007 with rates to be effective in 2008**
  - Increase request to recover costs based on 2006 test year with proforma adjustments for capital expenditures (previous delivery rate case was based on 2004 test year data)
- ✓ **Alternative frameworks for future rate cases will be explored including**
  - Formula rates
  - Riders or trackers
  - Future test years
  - Indexed rates

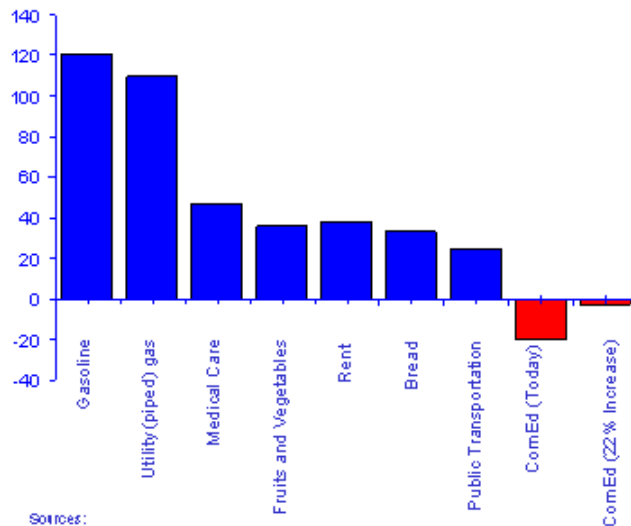


# Appendix

## Adding Value for Illinois Consumers

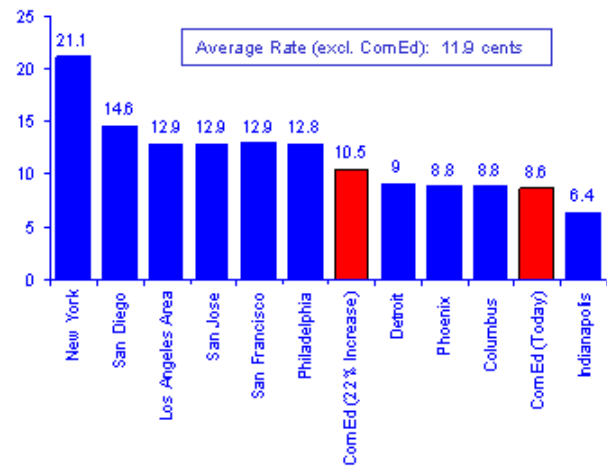
### 10 Year Price Trends

(in % price increases 1996 – 2006)



### Electricity Rates in Major Cities

(2005 Residential Rates, in cents per kWh)



Sources:

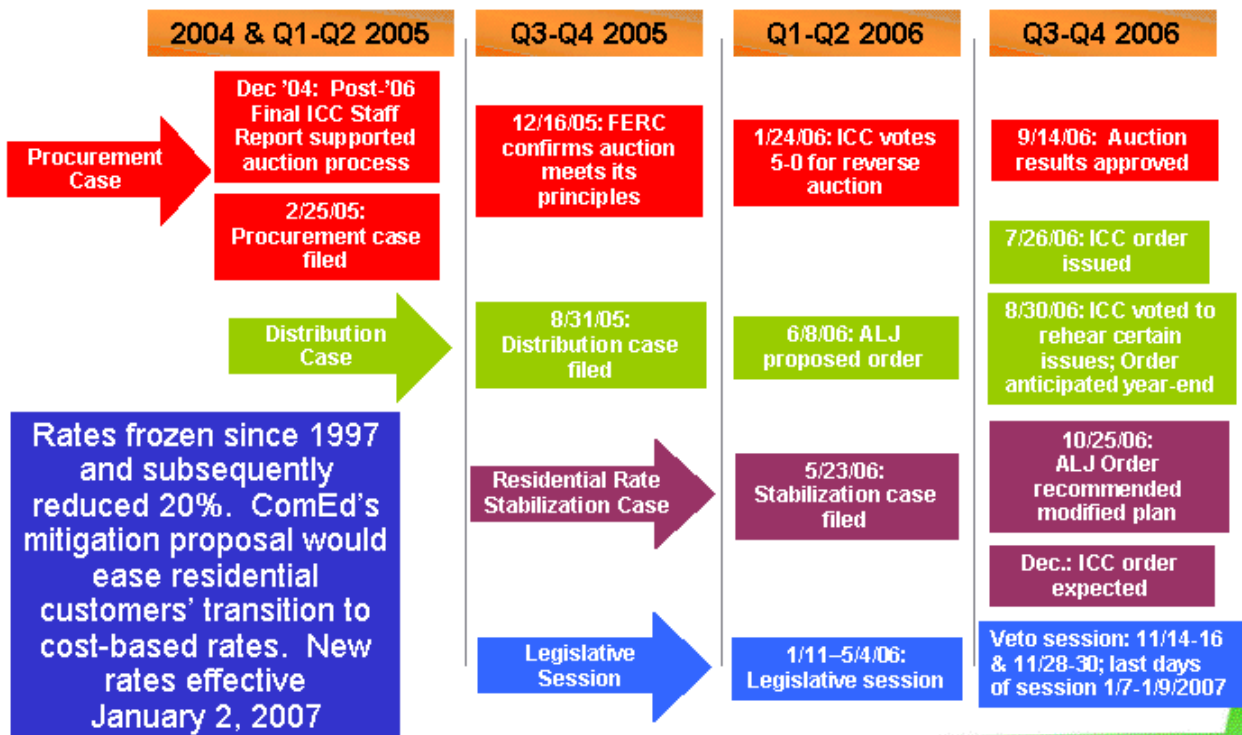
10-Year Price Trends: CPI, City Average for all Urban Consumers, Dept of Labor, Bureau of Labor Statistics

Electricity Rates in Major Cities: Edison Electric Institute (EEI) – Typical Bills and Average Rates Report, Winter 2006, pp. III – IV

Analysis represents the top 10 largest metropolitan areas served by investor-owned utilities (excluding Houston and Dallas)

CenterPoint Energy and TXU did not participate in the EEI study

## ComEd Regulatory History and Calendar



## ComEd – Rate Case Summary

While the Administrative Law Judges' (ALJs') Proposed Order provided for a revenue increase of \$164M compared to ComEd's original request of \$317M, the ICC Order provided for only an \$8M increase

(\$ in millions)	Revenue Requirement	Revenue Increase
Original request	\$1,895	\$317
Final position – ComEd brief	\$1,857	(\$38)
ROE @ 10.045% / Capital Structure @ 42.86% equity	\$1,732	(\$125)
Pension asset	\$1,662	(\$70)
Administrative & General expenses	\$1,601	(\$61)
ComEd incentive compensation	\$1,591	(\$10)
Other ICC adjustments	\$1,586	(\$ 5)
Approved increase in distribution rate revenue		\$8M

## ComEd – Auction Process

September 5 – 8, 2006



- NERA Economic Consulting was the Auction Manager under the oversight of the ICC Staff
- The auction was conducted in rounds for which the Auction Manager announced a price for each product
- Bidders bid for number of tranches they would serve for each product at the announced prices
- Bidders holding final bids when auction closed were the winners

September 8 – January 2, 2007



- On 9/12 (within 2 business days of auction close), the Auction Manager and ICC Staff issued confidential reports to the ICC
- On 9/14 (within 5 business days of auction close), the ICC approved the auction for fixed-price customers
- On 9/15 (within 5 business days of auction close), NERA announced clearing prices and winning suppliers
- On 9/20 (within 3 business days from the date the Auction Manager released prices and bidder names), ComEd signed Supplier Forward Contracts with winning suppliers
- On 9/21, ComEd filed compliance tariffs with final retail rates
- On 12/6, Auction Manager and ICC Staff submitted public report with winners and volumes
- Power flows on 1/1/07
- Rates effective on 1/2/07

## Illinois Auction Results

### Winning Bidders:

- Ameren Energy Marketing
- American Electric Power
- Conectiv Energy Supply
- Constellation Energy Commodities
- DTE Energy Trading
- Dynegy Power Marketing
- Edison Mission Marketing & Trading
- Energy America
- Exelon Generation
- FPL Energy Power Marketing
- J. Aron & Company
- J.P. Morgan Ventures Energy
- Morgan Stanley Capital Group
- PPL EnergyPlus
- Sempra Energy Trading
- WPS Energy Services

### Other Costs:

- Ancillary services
- Load shape
- Congestion
- Risk premium
- Capacity

ATC Energy Price\*\*

### ComEd Auction Results

**\$63.76/MWh**  
(Blended Price\*)



\* Blended price for residential and small commercial customers (the average of the three CPP-B products)

\*\* Range of 2007 and 2008 NI Hub ATC prices over the auction bidding period (Sept. 5 – Sept. 8, 2006)

Illinois fixed priced auctions  
declared successful

# **PECO Regulatory Update**

**Lisa Crutchfield**  
**Vice President, PECO Regulatory & External Affairs**

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## Regulatory Position

### ✓ PA Regulatory

- Constructive regulatory environment
- Good open relations with Public Utility Commission (PUC)
- Provider of Last Resort (POLR) and Alternative Energy Portfolio Standard (AEPS) rulemakings are a priority for the PUC

### ✓ PA Legislative

- Senate – Republicans maintain control and new leadership in place
- House – Democrats take 1 seat majority on final vote count. New leadership in place
- Governor – Rendell reelected with strong mandate – healthy relations



## Regulatory Position

- ✓ T&D rate cap expires at the end of 2006; no plans for T&D rate increases through 2010 – will continue to monitor
- ✓ Total electric rates increase 4.8% on 1/1/07 (all of the increase is in the energy rate)
- ✓ Expect FERC activity on transmission rate design 2007-2009
- ✓ Finalization of POLR rules and implementation of PECO plan will be a key focus area
- ✓ Potential for a Gas rate case

## Post 2010 Planning

- ✓ Active participation in PUC POLR rulemaking
  - Proposed POLR rulemaking issued December 2004
  - Final POLR rules by April 2008
  - May 2006 PUC Investigation on Rate Shock
- ✓ Monitor other POLR developments
  - Pike County, Penn Power, Duquesne plans in place
  - First Energy, PP&L filings pending
- ✓ Pursue workable strategies for PECO
  - Potential AEPS early procurement
  - Potential POLR procurement phase-in

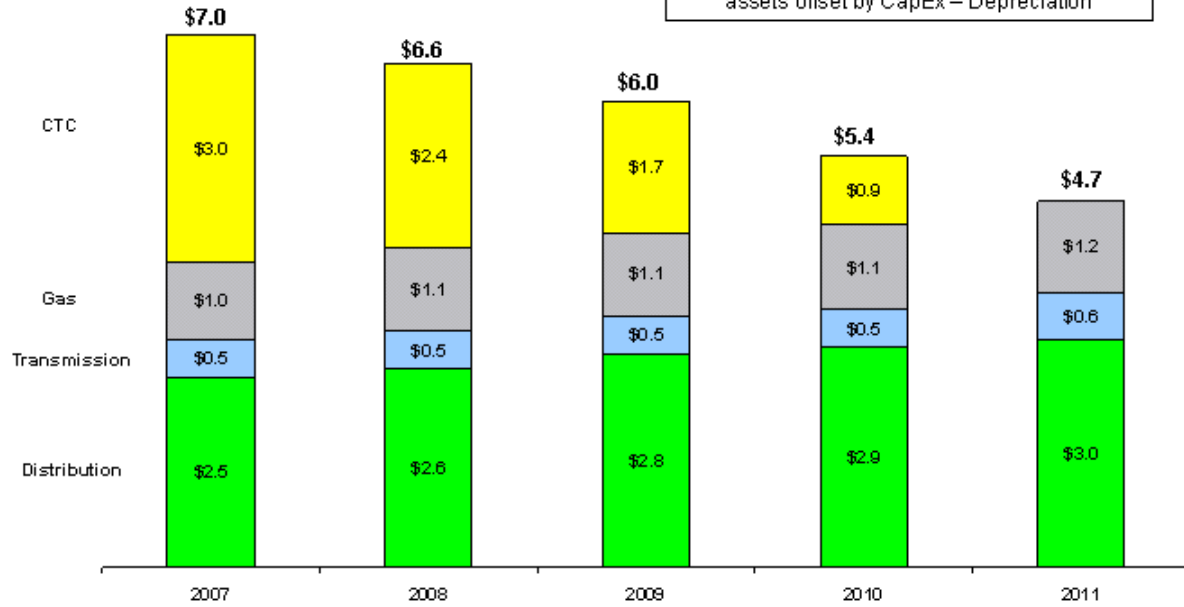
# Appendix



## PECO Expected Rate Base

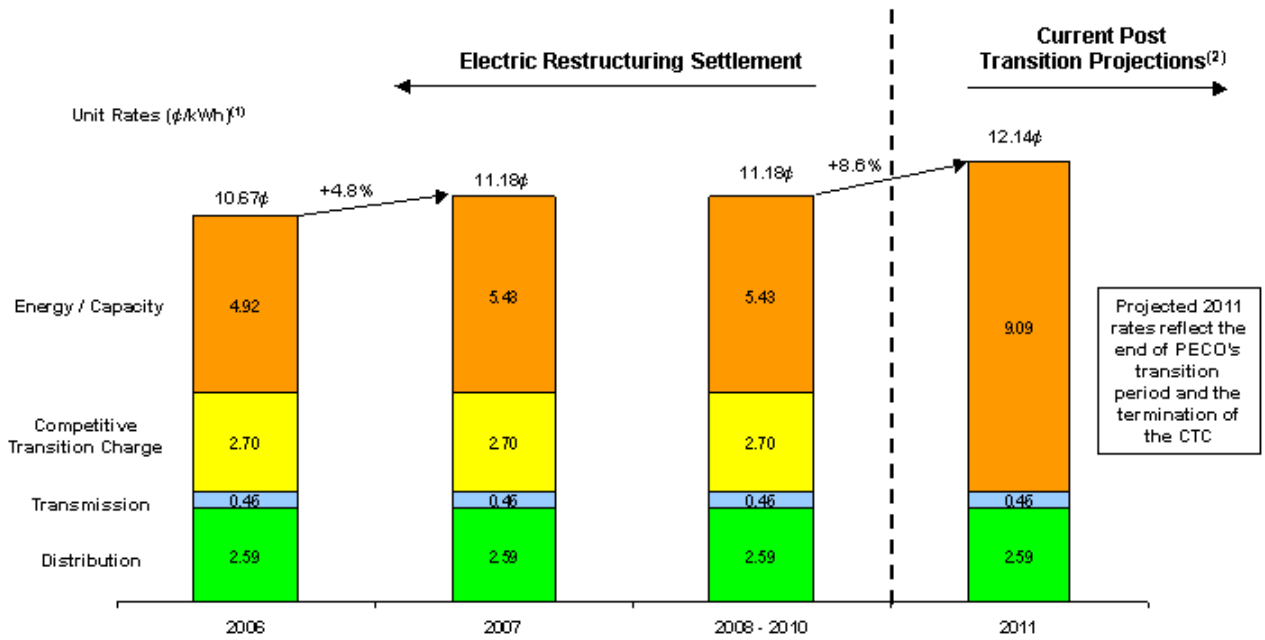
\$ in billions (as of beginning of year)

Change in rate base is amortization of stranded assets offset by CapEx – Depreciation



Post transition, PECO's rate base is expected to be ~\$4.7 billion

# 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 Nuclear Decommissioning Cost Adjustment

(2) Assumes \$55.05/MMWh PJM West ATC price (2011) with a \$7.15/MMBtu gas price at Henry Hub as of 10/3/05 per The Northbridge Group

# **Disciplined Financial Management**

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

A decorative green shape is located in the bottom right corner of the page. It is a curved, leaf-like shape that tapers to the left and curves upwards to the right.

## The Exelon Story – Value Driven



- Completing the transition to a “wires-only” business with a regulatory recovery plan in place



- Predictable source of earnings through transition period; preparing for 2011



- Premier U.S. nuclear generator uniquely positioned to capture market opportunities through operational and commercial excellence
- Primary source of Exelon’s value going forward



- ~10% average annual operating EPS growth since inception
- Continued strong growth trend through 2011
- Strong balance sheet and financial discipline
- Realigning value return framework
- Experienced management team

Note: See presentation Appendix for adjusted (non-GAAP) operating reconciliations to GAAP

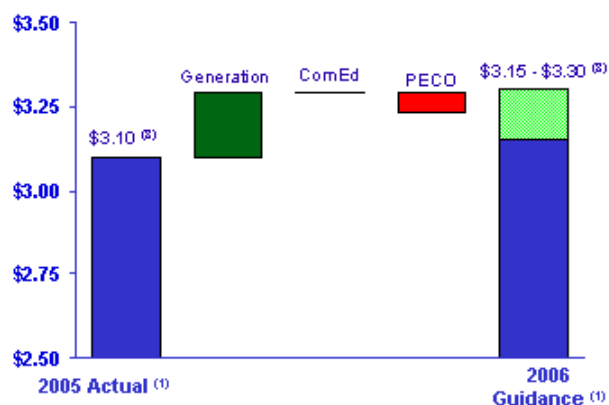
## 2006 Financial Performance

	YTD Sep-05	YTD Sep-06	2006 Guidance
<b>Adjusted (non-GAAP) EPS <sup>(1)</sup></b>			
Operating	\$2.37	\$2.50	\$3.15 – \$3.30
Weather Normalized <sup>(2)</sup>	\$2.27	\$2.53	

**Operating EPS Guidance:  
\$3.15 - \$3.30**

### YTD Highlights

- Solid financial operating EPS results
  - Higher generation margins
  - Strong nuclear and fossil performance
  - Higher O&M costs
- ICC approved IL auction
- Completed ComEd ring-fencing
- Unfavorable ICC Rate Order



**YTD 2006: 5% growth in operating earnings, 11% growth in weather-normalized operating earnings compared to 2005**

NOTE: See "Key Assumptions" slide in Appendix

<sup>(1)</sup> See Appendix for reconciliation of adjusted (non-GAAP) operating EPS to GAAP EPS

<sup>(2)</sup> Excludes \$0.10 per share favorable impact versus normal in 2005 and \$0.03 per share unfavorable impact versus normal in 2005, based on Exelon model

<sup>(3)</sup> Includes \$0.12 per share favorable weather impact versus normal in 2005 and \$0.03 per share unfavorable weather impact versus normal in 2005, based on Exelon model



**ComEd**®

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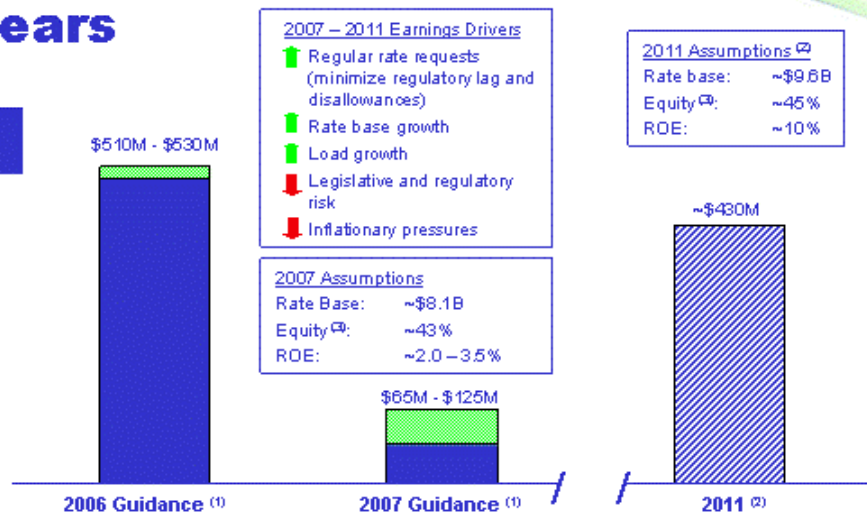
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# ComEd Operating Earnings: Next Five Years

## Executing ComEd's Regulatory Recovery Plan

Investment is required over the next five years to:

- Maintain the reliability of ComEd's system
- Keep pace with critical system improvements
- Meet growing customer requirements
- Improve customer service



**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) Operating Earnings Guidance; see Appendix for reconciliation of adjusted (to-GAAP) operating EPS to GAAP EPS

(2) 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 rate-making 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.

(3) Reflects equity definition provided in most recent ICC distribution rate case order (book equity less goodwill)

## **ComEd Key Issues**

- ✓ Distribution rate case rehearing decision
- ✓ Residential rate mitigation plan
  - ICC filing
  - Pending compromise rate phase-in legislation
- ✓ Potential rate freeze legislation
- ✓ Transmission rate case filing with FERC
- ✓ Regulatory recovery plan implementation



**PECO**®

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An Exelon Company

# PECO Operating Earnings: Next Five Years

## PECO's Transition Period

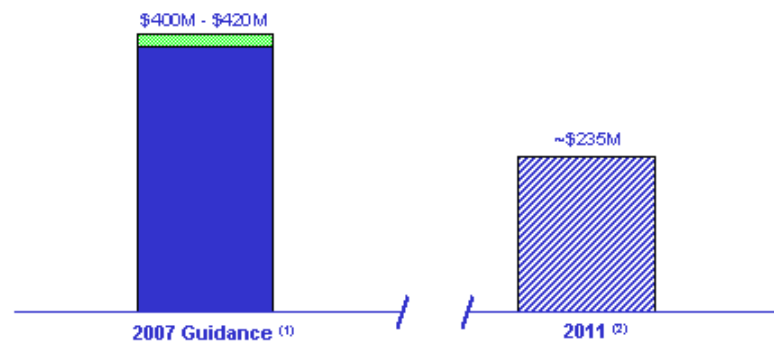
- Operating earnings gradually decrease primarily due to amortization of the CTC
- CTC terminates January 1, 2011
- Post Transition Period, PECO's rate base is expected to be ~\$4.7B (reflecting full amortization of stranded assets)
- Preparing for 2011 transition to market

### 2007 – 2011 Earnings Drivers

- Load growth
- CTC amortization
- Inflationary pressures

### 2011 Assumptions <sup>(2)</sup>

- Rate Base: ~\$4.7B
- Equity: ~50%
- ROE: ~10%



**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

<sup>(1)</sup> Operating Earnings Guidance; see Appendix for reconciliation of adjusted (non-GAAP) operating EPS to GAAP EPS

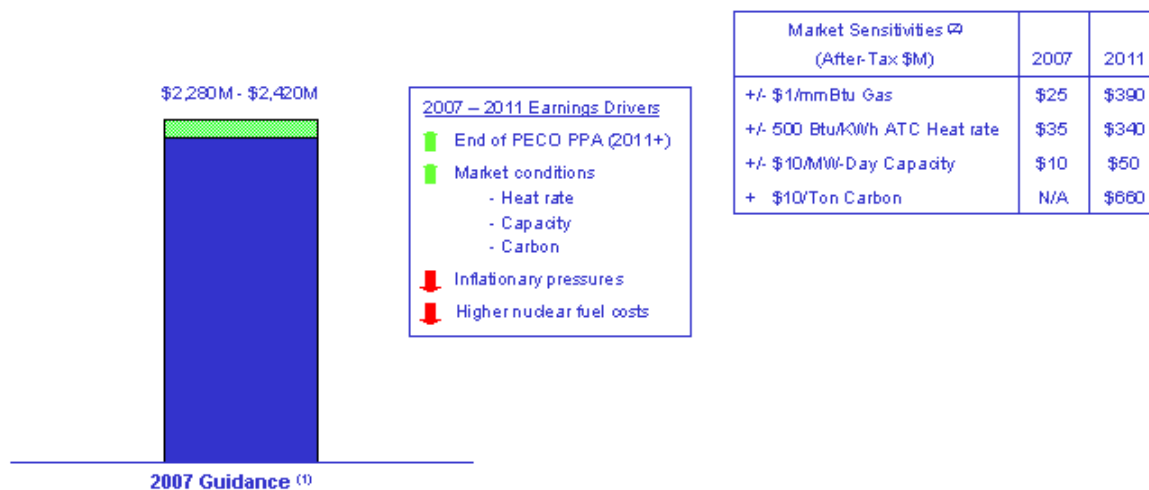
<sup>(2)</sup> Provided solely for illustrative purposes, not intended as earnings guidance. The earnings figure represents a possible scenario that is based on the assumptions shown above as well as assumptions about other factors, including, but not limited to, judgments about changes in load growth, 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.

**Exelon**®

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Generation

## Exelon Generation Operating Earnings Drivers: Next Five Years



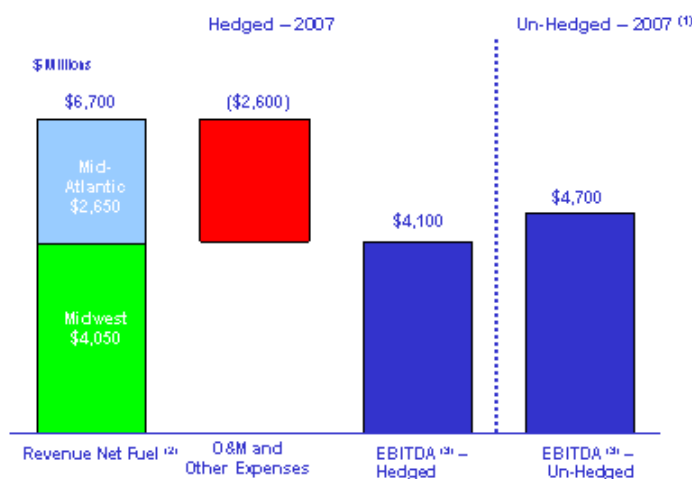
**Exelon Generation is poised for earnings growth over the next five years driven by the end of the IL and PA transition periods and its unique competitive position**

NOTE: See "Key Assumptions" slide in Appendix

<sup>(1)</sup> Operating Earnings Guidance; see Appendix for reconciliation of adjusted (non-GAAP) operating EPS to GAAP EPS

<sup>(2)</sup> Differences in sensitivities are largely due to differences in the amount hedged in 2007 vs 2011

## Valuing Exelon Generation



### 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

**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 Appendix for a reconciliation of Net Income to EBITDA



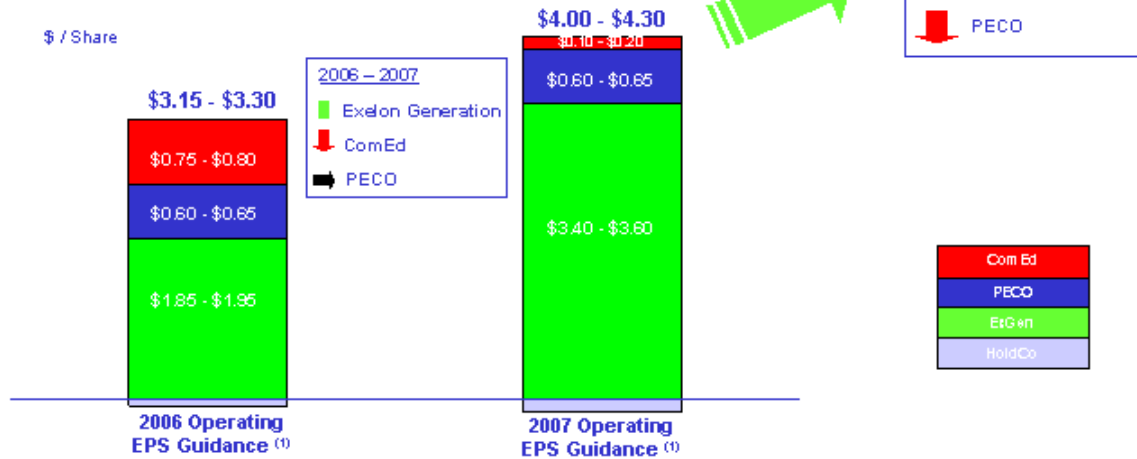
**Exelon**®

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## 2007 Earnings Guidance

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

GAAP EPS <sup>(2)</sup>: \$4.10 - \$4.40 per share



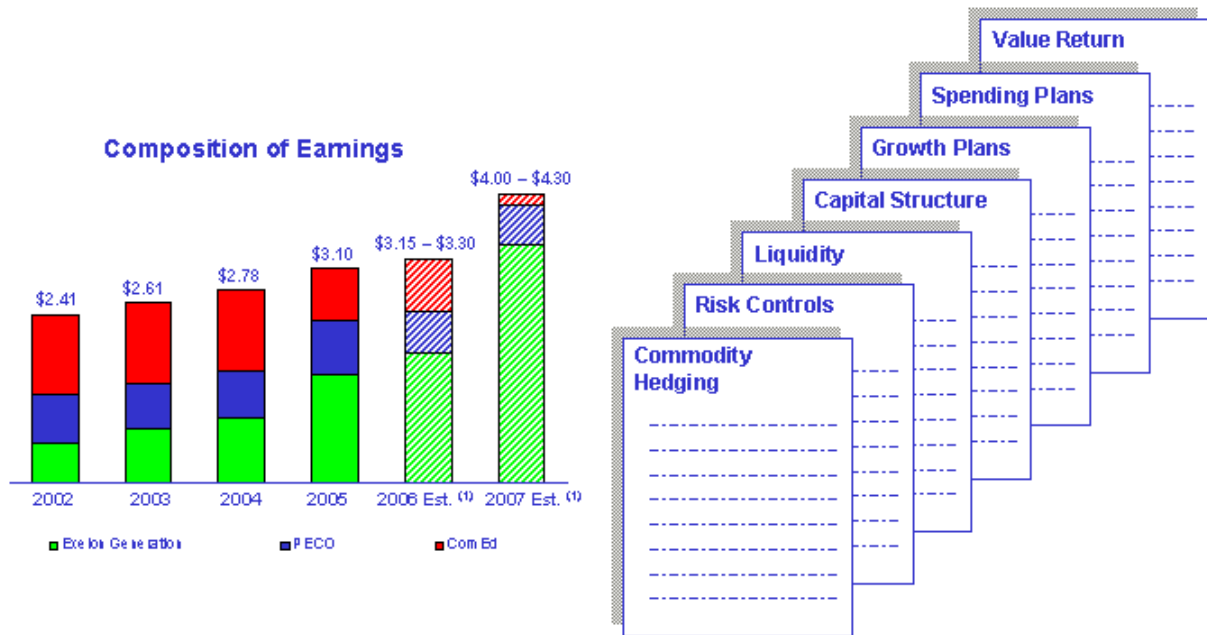
**Exelon is expected to see robust earnings growth over next five years driven by Exelon Generation and ComEd's recovery**

NOTE: See "Key Assumptions" slide in Appendix

(1) Operating Earnings Guidance; see Appendix for reconciliation of adjusted (non-GAAP) operating EPS to GAAP EPS

(2) See "2006 - 2007 Exelon Earnings Guidance" slide in Appendix

# Strategic Policy Alignment

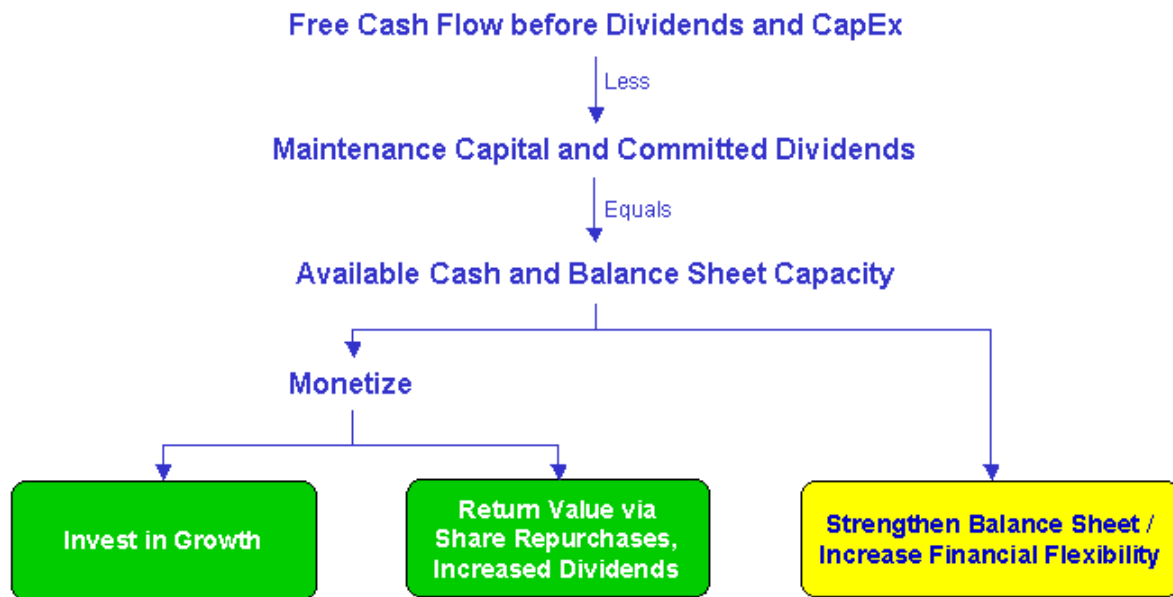


**Exelon's financial policies are aligned for its changing business mix**

NOTE: See "Key Assumptions" slide in Appendix

(1) Operating Earnings Guidance; see Appendix for reconciliation of adjusted (non-GAAP) operating EPS to GAAP EPS

## Value Return Framework



After meeting commitments and analyzing value creation opportunities, free cash flow and/or balance sheet capacity can be used to return value to shareholders

## Value Return Policy

- ✓ Exelon's changing composition of earnings warrants a new value return policy
  - Existing dividend policy based on a business mix in which the regulated utilities contributed a larger share of earnings
  - Existing share repurchase program designed solely to offset dilution from shares issued under Exelon's incentive compensation plans

- ✓ The new policy:
  - Establishes a base dividend that is anticipated to grow modestly over time <sup>(1)</sup>
  - Will return excess cash and/or balance sheet capacity through share repurchases
    - After funding maintenance capital and committed dividends
    - In the absence of higher value-added growth opportunities
  - Maintains appropriate credit metrics on a prospective basis

**Base dividend established at \$1.76 per share starting Q1 2007,  
a 10% increase over the current dividend**

(1) Future dividends are subject to declaration by the Board of Directors

## 2007 Projected Sources and Uses of Cash

\$ Millions	ComEd	PECO	Exelon Generation	Exelon <sup>(4)</sup>
Cash Flow from Operations <sup>(1)</sup>	\$700	\$1,025	\$2,900	\$4,900
Capital Expenditures	(\$1,050)	(\$350)	(\$1,350)	(\$2,800)
Net Financing (excluding Dividend) <sup>(2)</sup>	\$350	(\$375)	\$675	\$525
<b>Available Cash before Dividend</b>	<b>\$0</b>	<b>\$300</b>	<b>\$2,225</b>	<b>\$2,625</b>
Dividend <sup>(3)</sup>				(\$1,175)
<b>Available Cash after Dividend</b>				<b>\$1,450</b>

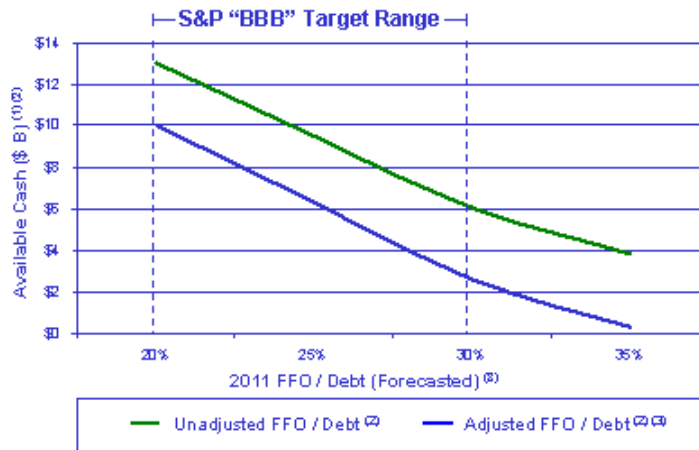
<sup>(1)</sup> Cash Flow from Operations = Net cash flows provided by operating activities less net cash flows used in investing activities other than capital expenditures

<sup>(2)</sup> Net Financing (excluding Dividend) = Net cash flows used in financing activities excluding dividend paid on common stock

<sup>(3)</sup> Assumes 2007 Dividend of \$1.76 per share

<sup>(4)</sup> Includes cash flow activity from Holding Company and other corporate entities

## 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 Financials. Assumes annualized dividend of \$1.76 per share in 2007, growing 5% annually; actual amounts may vary.  
 (2) Assumes regulatory recovery plan at ComEd.  
 (3) See FFO Calculation and Ratio definitions in Appendix. Adjusted FFO / Debt includes: debt equivalents for purchased power agreements, unfunded pensions and other postretirement benefits obligations, capital adequacy for energy trading, and related implied interest.

## Creating Shareholder Value

- ✓ Strong financial and operating performance in 2006
- ✓ Uniquely positioned generation business, driving continued strong growth through 2011
- ✓ Managing the transition to competitive markets in Illinois and 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



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## **Appendix – Financial and Operational Statistics**

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## Key Assumptions

	2005 Actual	2006 Est.	2007 Est.
Nuclear Capacity Factor (%) <sup>(1)</sup>	93.5	93.8	94.0
Total Genco Sales Excluding Trading (GWhrs)	194,337	200,550	184,550
Total Sales to Energy Delivery (GWhrs)	121,961	118,900	40,500
Total Market and Retail Sales (GWhrs) <sup>(2)</sup>	72,376	81,650	144,050
Henry Hub Gas Price (\$/mmBtu)	8.85	6.50	8.00
PJM West Hub ATC Price (\$/MWh)	60.92	51.60	59.50
Tetco M3 Gas Price (\$/mmBtu)	9.67	7.10	9.00
PJM West Hub Implied ATC Heat Rate (MWh/mmbtu)	6.30	7.30	6.60
NI Hub ATC Price (\$/MWh)	46.39	40.80	44.00
Chicago City Gate Gas Price (\$/mmBtu)	8.41	6.30	7.60
NI Hub Implied ATC Heat Rate (MWh/mmbtu)	5.52	6.50	5.80
PJM East Capacity Price (\$/MW-day)	0.13	1.20	44.30
PJM West Capacity Price (\$/MW-day)	0.13	1.20	16.60
Electric Volume Retention (%)			
PECO	95	98	98
ComEd	79	76	53
Electric Delivery Growth (%) <sup>(3)</sup>			
PECO	0.9	0.9	0.9
ComEd	1.3	0.2	1.3
Effective Tax Rate (%) <sup>(4)</sup>	37.5	37.5	37.0

(1) Excludes Salem

(2) 2007 estimate includes Illinois Auction Sales

(3) Weather-normalized retail load growth

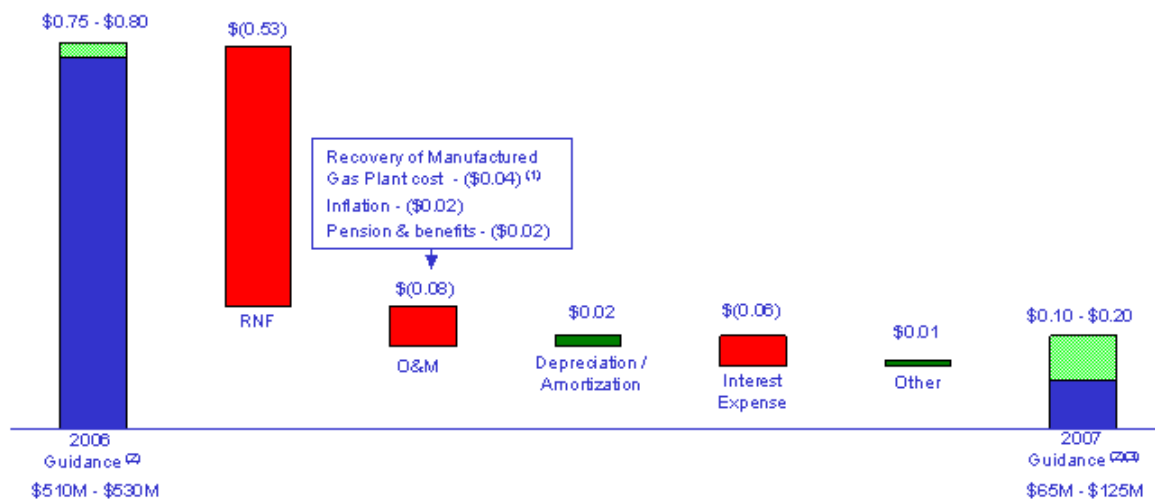
(4) Excludes rates related to investments in hydroelectric producing facilities

Notes: 2005 prices are average for the year

2006 prices reflect observable prices as of September 30, 2005

2007 prices reflect observable prices as of September 14, 2005

## 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

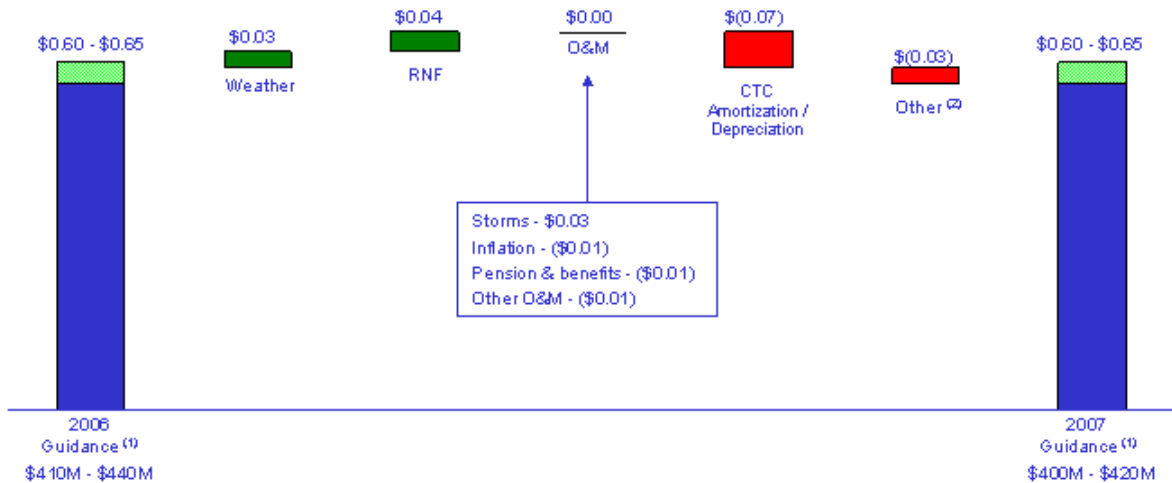
NOTE: See "Key Assumptions" slide in Appendix

(1) Variance driven by non-recurring credits in 2005

(2) Operating Earnings Guidance; see Appendix for reconciliation of adjusted (non-GAAP) operating EPS to GAAP EPS

(3) Reflects 7/25/06 ICC Distribution Case Order

## PECO 2007 Operating EPS



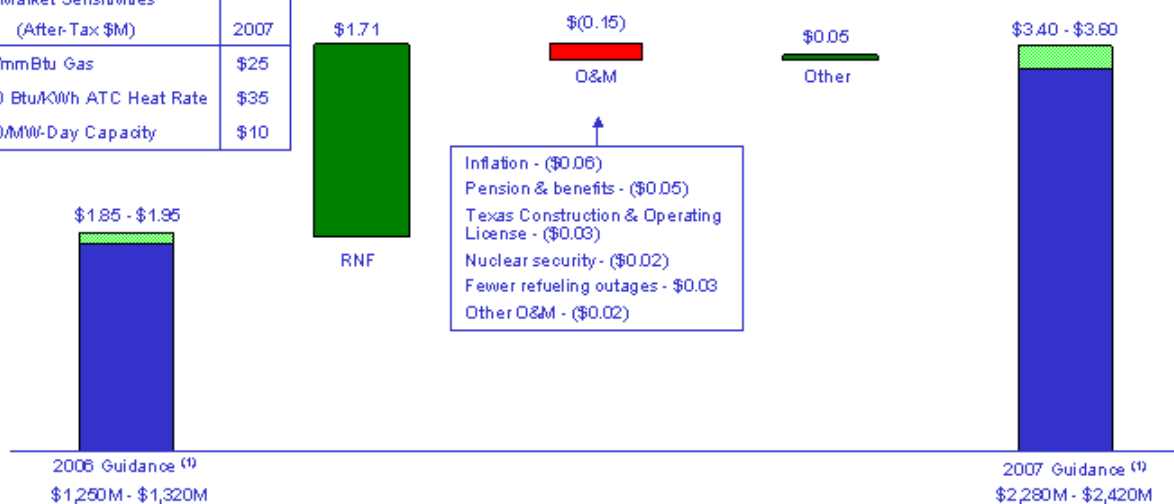
**PECO's operating earnings are expected to decrease slightly from 2006 to 2007 primarily due to the CTC amortization**

NOTE: See "Key Assumptions" slide in Appendix

- (1) Operating Earnings Guidance; see Appendix for reconciliation of adjusted (non-GAAP) operating EPS to GAAP EPS  
 (2) Variance primarily driven by non-recurring credits in 2006

# Exelon Generation 2007 Operating EPS

Market Sensitivities (After-Tax \$/M)	2007
+/- \$1/mmBtu Gas	\$25
+/- 500 Btu/KWh ATC Heat Rate	\$35
+/- \$10/MWh-Day Capacity	\$10



**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

(1) Operating Earnings Guidance; see Appendix for reconciliation of adjusted (non-GAAP) operating EPS to GAAP EPS

## 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 Adjusted Book Debt Ratio: 58%	74%	68%		
<b>Generation:</b>	FFO / Interest	8.2x	15.3x	<b>BBB+</b>	3.5x – 5.5x
	FFO / Debt	47%	98%		
	Rating Agency Debt Ratio Adjusted Book Debt Ratio: 35%	58%	37%		
<b>ComEd:</b>	FFO / Interest	2.4x	2.6x	<b>BBB</b>	3.5x – 5.5x
	FFO / Debt	9%	11%		
	Rating Agency Debt Ratio Adjusted Book Debt Ratio: 43%	66%	59%		
<b>PECO:</b>	FFO / Interest	3.9x	4.1x	<b>A-</b>	2.5x – 3.5x
	FFO / Debt	15%	15%		
	Rating Agency Debt Ratio Adjusted Book Debt Ratio: 53%	58%	55%		

### Exelon's balance sheet is strong

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

<sup>(1)</sup> Reflects S&P updated guidelines, which include imputed debt and interest related to purchased power agreements (PPAs), unfunded pensions and other post-retirement benefits (OPEB) obligations, and capital adequacy for energy trading. Debt is imputed for estimated pension and OPEB obligations by operating company.

<sup>(2)</sup> Currents and forecasted ratings for Exelon and Generation, and securitized ratings for ComEd and PECO as of 11/30/06.

<sup>(3)</sup> 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
$\frac{\text{FFO} + \text{Adjusted Interest}}{\text{Adjusted Interest}}$
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
$\frac{\text{FFO}}{\text{Adjusted Debt (1)}}$
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 carrying and 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 EPS 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 EPS Reconciliation Nine Months Ended Sep. 30, 2006 and 2005

<b>2005 GAAP Reported EPS</b>	<b>\$2.60</b>
Mark-to-market	(0.11)
Investments in synthetic fuel-producing facilities	(0.11)
Charges related to proposed merger with PSEG	0.02
Reduction in severance reserves	(0.01)
2005 financial impact of Generation's investment in Sithe	(0.02)
<b>2005 Adjusted (non-GAAP) Operating EPS</b>	<b>\$2.37</b>
<b>2006 GAAP Reported EPS</b>	<b>\$1.48</b>
Mark-to-market	(0.11)
Investments in synthetic fuel-producing facilities	0.08
Charges related to proposed merger with PSEG	0.09
Severance charges	0.02
Nuclear decommissioning obligation reduction	(0.13)
Recovery of debt costs at ComEd	(0.08)
Impairment of ComEd's goodwill	1.15
<b>2006 Adjusted (non-GAAP) Operating EPS</b>	<b>\$2.50</b>

## GAAP Earnings Reconciliation Year Ended December 31, 2005

(in millions)	ComEd	PECO	ExGen	Other	Exelon
<b>2005 GAAP Reported Earnings (Loss)</b>	<b>\$(685)</b>	<b>\$517</b>	<b>\$1,098</b>	<b>\$(7)</b>	<b>\$923</b>
Mark-to-market	-	-	10	-	10
Investments in synthetic fuel-producing facilities	-	-	-	(81)	(81)
Charges related to proposed merger with PSEG	2	12	4	-	18
Severance	(6)	1	1	-	(4)
Impairment of goodwill at ComEd	1,207	-	-	-	1,207
2005 financial impact of Generation's investment in Sithe	-	-	(18)	-	(18)
Cumulative effect pursuant to adopting FIN 47	9	3	30	-	42
<b>2005 Adjusted (non-GAAP) Operating Earnings</b>	<b>\$527</b>	<b>\$533</b>	<b>\$1,125</b>	<b>\$(88)</b>	<b>\$2,097</b>

## GAAP EPS Reconciliation Year Ended December 31, 2005

	ComEd <sup>(1)</sup>	PECO <sup>(1)</sup>	ExGen <sup>(1)</sup>	Other <sup>(1)</sup>	Exelon <sup>(1)</sup>
<b>2005 GAAP Reported Earnings (Loss) Per Share <sup>(2)</sup></b>	<b>\$(1.02)</b>	<b>\$0.76</b>	<b>\$1.62</b>	<b>\$(0.01)</b>	<b>\$1.36</b>
Mark-to-market	-	-	0.02	-	0.02
Investments in synthetic fuel-producing facilities	-	-	-	(0.12)	(0.12)
Charges related to proposed merger with PSEG	-	0.02	0.01	-	0.03
Impairment of goodwill at ComEd	1.78	-	-	-	1.78
2005 financial impact of Generation's investment in Sithe	-	-	(0.03)	-	(0.03)
Cumulative effect pursuant to adopting FIN 47	0.01	0.01	0.04	-	0.06
Share differential <sup>(2)</sup>	0.01	-	-	-	-
<b>2005 Adjusted (non-GAAP) Operating Earnings Per Share</b>	<b>\$0.78</b>	<b>\$0.79</b>	<b>\$1.66</b>	<b>\$(0.13)</b>	<b>\$3.10</b>

<sup>(1)</sup> Amounts shown per Exelon share.

<sup>(2)</sup> ComEd's GAAP loss per Exelon share is calculated using Exelon's basic shares. Exelon's GAAP Earnings Per Share is calculated using Exelon's diluted shares. ComEd's operating earnings per Exelon share is calculated using Exelon's diluted shares. As a result, amounts may not add across.

## 2006 – 2007 Exelon Earnings Guidance

- ✓ **Exelon's outlook for 2006 - 2007 adjusted (non-GAAP) operating earnings excludes the earnings impacts of the following:**
  - mark-to-market adjustments from non-trading activities;
  - investments in synthetic fuel-producing facilities;
  - certain costs associated with the terminated merger with PSEG (2006 only);
  - significant impairments of intangible assets, including goodwill;
  - significant changes in decommissioning obligation estimates;
  - certain severance and severance-related charges;
  - 2006 does not include any impact of the ICC's July 26 order rehearing process in the fourth quarter of 2006;
  - losses on extinguishments of long-term debt to be recovered by ComEd as approved in the July 26 ICC rate order; and
  - other unusual items, including 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)**

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## News Release

Contact: Anne Brownsey  
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**FOR IMMEDIATE RELEASE**

Joyce Carson  
Exelon Investor Relations  
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### **Exelon Corporation Announces Increased First Quarter Dividend and 2007 Outlook; 2007 Projected Earnings Depressed by Financially Weakened ComEd**

**CHICAGO** (December 12, 2006) – At its annual investor conference held today, Exelon Corporation announced that the Board of Directors of Exelon had declared a regular first-quarter 2007 dividend of \$0.44 per share on Exelon’s common stock, a 10% increase over the dividend for the fourth quarter of 2006. The first-quarter dividend is payable on March 10, 2007, to Exelon shareholders of record at 5:00 p.m. New York Time on February 15, 2007. The first-quarter dividend action was taken by the Exelon Board of Directors in connection with the Board’s approval of a “value return” policy that established a base dividend that Exelon expects will grow modestly over time. The value return policy contemplates the use of share repurchases from time to time, when authorized by the Board of Directors, to return cash or balance sheet capacity to Exelon shareholders after funding maintenance capital and other commitments and in the absence of higher value-added growth opportunities. Previously, Exelon had maintained a dividend payout policy of between 50-60% of ongoing operating earnings, and its dividend had not increased since 2004. Commonwealth Edison (ComEd) is not expected to make any dividend distributions to Exelon in 2007.

Exelon also released its earnings outlook for 2007, with adjusted (non-GAAP) operating earnings guidance of \$4.00 to \$4.30 per share. Its guidance reflects the end of the transition period in Illinois and related power purchase agreements as well as the negative impact of ComEd’s unfavorable ICC distribution rate case order in July, which is currently on rehearing. ComEd’s contribution to Exelon’s operating earnings per share is projected to be \$0.10 to \$0.20 in 2007, about 80% lower than its contribution of \$0.75 to \$0.80 per share in 2006.

Exelon’s adjusted (non-GAAP) operating earnings guidance excludes unrealized mark-to-market adjustments from non-trading activities, income resulting from investments in synthetic fuel-producing facilities, certain costs associated with the terminated merger with PSEG, significant impairments of intangible assets including goodwill, significant changes in decommissioning obligation estimates, certain severance and severance-related charges, and losses on extinguishments of long-term debt to be recovered by ComEd as approved in the July 26, 2006, ICC rate order. Giving consideration to these factors, Exelon estimates 2007 GAAP earnings will fall in the range of \$4.10 to \$4.40 per share in 2007. These estimates do not include any impact of unusual items that the company is unable to forecast, including any future changes to GAAP. Earnings guidance is based on the assumption of normal weather.

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*Exelon Corporation is one of the nation's largest electric utilities with approximately 5.3 million customers and more than \$15 billion in annual revenues. The company has one of the industry's largest portfolios of electricity generation capacity, with a nationwide reach and strong positions in the Midwest and Mid-Atlantic. Exelon distributes electricity to approximately 5.2 million customers in northern Illinois and Pennsylvania and gas to more than 470,000 customers in the Philadelphia area. Exelon is headquartered in Chicago and trades on the NYSE under the ticker EXC.*

*This news release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which 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 Corporation's 2005 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors and (b) ITEM 8. Financial Statements and Supplementary Data: Exelon-Note 20, ComEd-Note 17, PECO-Note 15 and Generation-Note 17; (2) Exelon Corporation's Third Quarter 2006 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, Commonwealth Edison Company, PECO Energy Company and Exelon Generation Company, LLC (Companies). Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this news release. 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 news release.*