

# Fall/Winter 2018 Investor Meetings



# Cautionary Statements Regarding Forward-Looking Information

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from the forward-looking statements made by Exelon Corporation, Exelon Generation Company, LLC, Commonwealth Edison Company, PECO Energy Company, Baltimore Gas and Electric Company, Pepco Holdings LLC, Potomac Electric Power Company, Delmarva Power & Light Company, and Atlantic City Electric Company (Registrants) include those factors discussed herein, as well as the items discussed in (1) Exelon's 2017 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 23, Commitments and Contingencies; (2) Exelon's Third Quarter 2018 Quarterly Report on Form 10-Q in (a) Part II, Other Information, ITEM 1A. Risk Factors; (b) Part 1, Financial Information, ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, Financial Information, ITEM 1. Financial Statements: Note 17; and (2) other factors discussed in filings with the SEC by the Registrants. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this press release. None of the Registrants undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this presentation.

# Non-GAAP Financial Measures

Exelon reports its financial results in accordance with accounting principles generally accepted in the United States (GAAP). Exelon supplements the reporting of financial information determined in accordance with GAAP with certain non-GAAP financial measures, including:

- **Adjusted operating earnings** exclude certain costs, expenses, gains and losses and other specified items, including mark-to-market adjustments from economic hedging activities, unrealized gains and losses from nuclear decommissioning trust fund investments, merger and integration related costs, impairments of certain long-lived assets, certain amounts associated with plant retirements and divestitures, costs related to a cost management program and other items as set forth in the reconciliation in the Appendix
- **Adjusted operating and maintenance expense** excludes regulatory operating and maintenance costs for the utility businesses and direct cost of sales for certain Constellation and Power businesses, decommissioning costs that do not affect profit and loss, the impact from operating and maintenance expense related to variable interest entities at Generation, EDF's ownership of O&M expenses, and other items as set forth in the reconciliation in the Appendix
- **Total gross margin** is defined as operating revenues less purchased power and fuel expense, excluding revenue related to decommissioning, gross receipts tax, JExel Nuclear JV, variable interest entities, and net of direct cost of sales for certain Constellation and Power businesses
- **Adjusted cash flow from operations** primarily includes net cash flows from operating activities and net cash flows from investing activities excluding capital expenditures, net merger and acquisitions, and equity investments
- **Free cash flow** primarily includes net cash flows from operating activities and net cash flows from investing activities excluding certain capital expenditures, net merger and acquisitions, and equity investments
- **Operating ROE** is calculated using operating net income divided by average equity for the period. The operating income reflects all lines of business for the utility business (Electric Distribution, Gas Distribution, Transmission).
- **EBITDA** is defined as earnings before interest, taxes, depreciation and amortization. Includes nuclear fuel amortization expense.
- **Revenue net of purchased power and fuel expense** is calculated as the GAAP measure of operating revenue less the GAAP measure of purchased power and fuel expense

Due to the forward-looking nature of some forecasted non-GAAP measures, information to reconcile the forecasted adjusted (non-GAAP) measures to the most directly comparable GAAP measure may not be currently available, as management is unable to project all of these items for future periods

# Non-GAAP Financial Measures Continued

---

This information is intended to enhance an investor's overall understanding of period over period financial results and provide an indication of Exelon's baseline operating performance by excluding items that are considered by management to be not directly related to the ongoing operations of the business. In addition, this information is among the primary indicators management uses as a basis for evaluating performance, allocating resources, setting incentive compensation targets and planning and forecasting of future periods.

These non-GAAP financial measures are not a presentation defined under GAAP and may not be comparable to other companies' presentation. Exelon has provided these non-GAAP financial measures as supplemental information and in addition to the financial measures that are calculated and presented in accordance with GAAP. These non-GAAP measures should not be deemed more useful than, a substitute for, or an alternative to the most comparable GAAP measures provided in the materials presented.

Non-GAAP financial measures are identified by the phrase "non-GAAP" or an asterisk. Reconciliations of these non-GAAP measures to the most comparable GAAP measures are provided in the appendices and attachments to this presentation, except for the reconciliation for total gross margin, which appears on slide 42 of this presentation.

# Exelon: An Industry Leader

\$21B

Being invested  
in utilities  
through 2021

\$52M

In 2017, Exelon gave  
approx. \$52 million  
to charitable and  
community causes

#1

zero-carbon  
energy  
provider  
in America

210 TWh

Customer load  
served

35,200

Megawatts of  
total power  
generation  
capacity

10M

Six utilities serving  
10M electric and  
gas customers, the  
most in the U.S.

34,600

employees

11,470

transmission  
line miles for  
utilities

\$33.5B

Operating  
revenue in 2017

FORTUNE  
100

Exelon is a  
FORTUNE 100  
company

2M  
(Approx.)

Exelon's  
Constellation  
business serves  
residential, public  
sector and  
business  
customers

9.5M

Smart meters  
installed

Note: All numbers reflect year-end 2017

# The Exelon Value Proposition

---

- **Regulated Utility Growth** with utility EPS rising 6-8% annually from 2017-2021 and rate base growth of 7.4%, representing an expanding majority of earnings
- **ExGen's strong free cash generation** will support utility growth while also reducing debt by ~\$3B over the next 4 years
- **Optimizing ExGen value by:**
  - Seeking fair compensation for the zero-carbon attributes of our fleet;
  - Closing uneconomic plants;
  - Monetizing assets; and,
  - Maximizing the value of the fleet through our generation to load matching strategy
- **Strong balance sheet is a priority** with all businesses comfortably meeting investment grade credit metrics through the 2021 planning horizon
- **Capital allocation priorities targeting:**
  - Organic utility growth;
  - Return of capital to shareholders with 5% annual dividend growth through 2020<sup>(1)</sup>,
  - Debt reduction; and,
  - Modest contracted generation investments

(1) Quarterly dividends are subject to declaration by the board of directors



# 2018 Business Priorities and Commitments

---

**Maintain industry leading operational excellence**

**Effectively deploy ~\$5.4B of 2018 utility capex**

**Advance PJM power price formation changes in 2018**

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

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

**Grow dividend at 5% rate**

**Continued commitment to corporate responsibility**

# Key Updates

## Cost Reductions

### **Committing to \$200M in additional cost reductions with a targeted run-rate date of 2021:**

- \$100M at ExGen
- \$100M at Business Services Company – approximately 50% of savings will be allocated to ExGen

Savings due to our focus on improving efficiencies, eliminating redundancies, and leveraging innovation and technologies

### **More than \$900M in announced savings between 2015 – 2021 relative to original plan**

## ZECS

### **Seventh and Second Circuit Court of Appeals Uphold ZEC Programs:**

- On September 13, the Seventh Circuit Court of Appeals affirmed the dismissal of the Illinois ZEC complaint, upholding the legality of the program
- On September 27, the Second Circuit affirmed dismissal of New York ZEC complaint
- On October 9, the Seventh Circuit denied the petitioners' request for rehearing

### **New Jersey:**

- Board of Public Utilities completed meetings and hearings on implementation of ZEC program
- On September 20, utilities filed tariff changes to recover ZEC related charges
- ZEC applications are due on December 19

## Market Reforms

### **FERC Capacity Market Proceeding:**

- On October 2, stakeholders filed comments in response to FERC's request in its June order
- Exelon joined a coalition proposal supported by rate payer advocates, attorneys general, environmental organizations, renewable advocates and other nuclear generators
- Reply comments submitted on November 6
- PJM requests FERC action in January 2019 to provide adequate time for the August 2019 PJM capacity auction

### **Fast Start:**

- PJM fast start pricing has been fully briefed; awaiting decision from FERC



# Exelon Utilities Overview



16,300  
Employees

\$34.6B  
2017 Rate Base

\$16.3B  
In Revenue

25.6K mi<sup>2</sup>  
Combined  
Service Territory

10M  
Customers



9.5M  
Smart Meters  
Installed

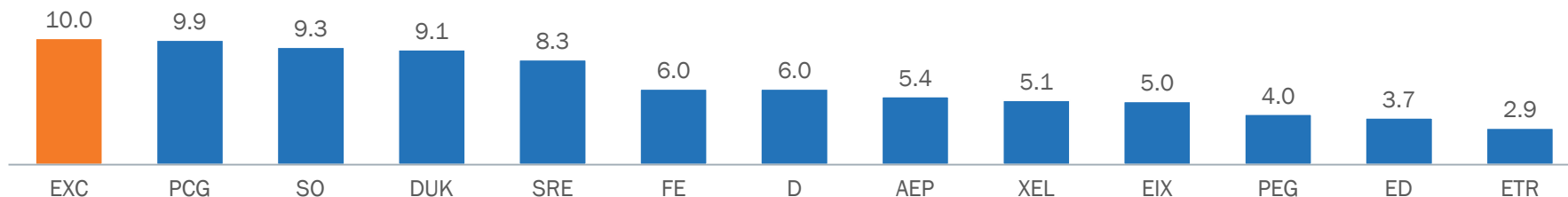


11,470  
Transmission line  
miles (circuit)

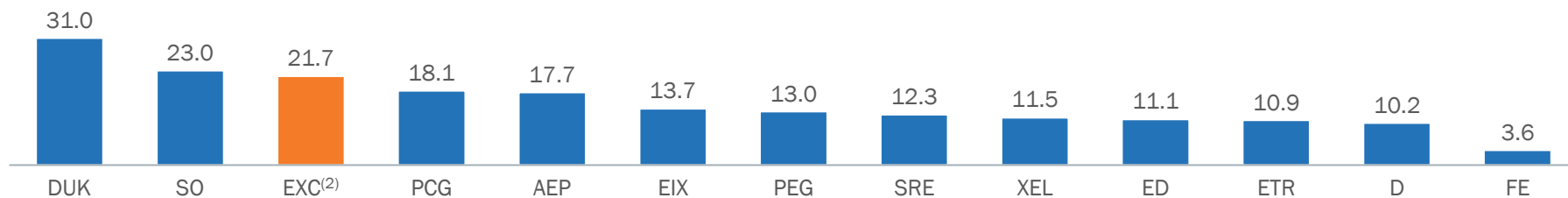
Note: All numbers reflect year-end 2017

# Exelon Utilities are an Industry Leader

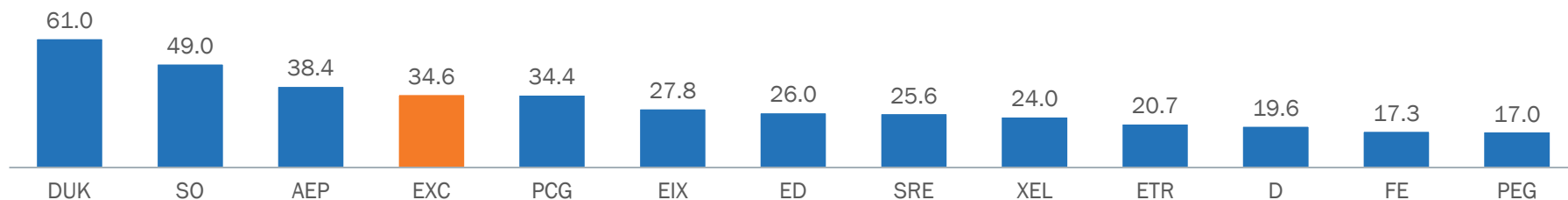
## US Utility Customers (millions)



## Total Capital Expenditures 2018-2020 (\$B)<sup>(1)</sup>



## Total Utility Rate Base (\$B)<sup>(1)</sup>

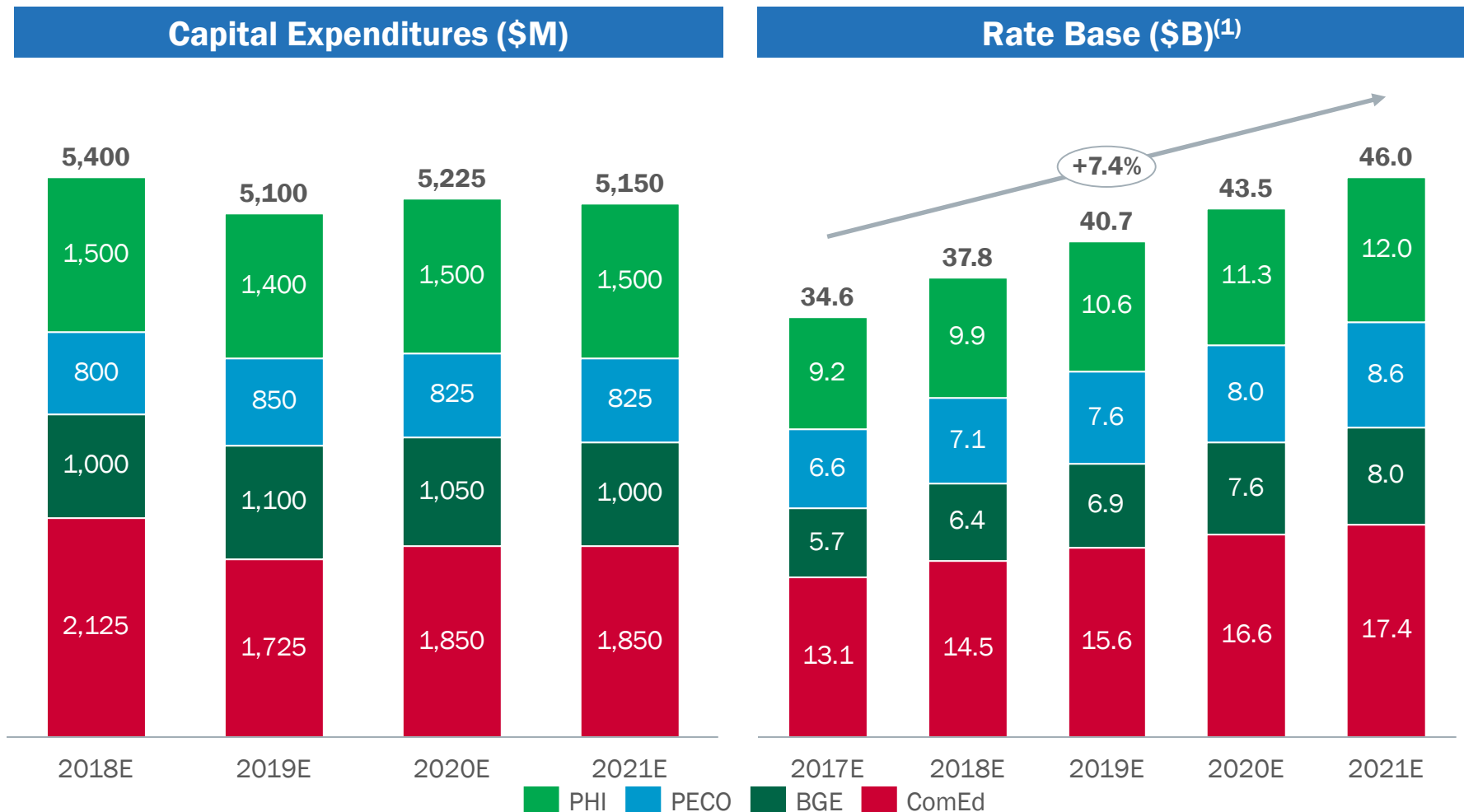


Source: Company Filings

(1) Includes utility and generation

(2) Includes \$15.7B of utility capital expenditures and \$6.0B of generation capital expenditures

# Our Capital Plan Drives Leading Rate Base Growth



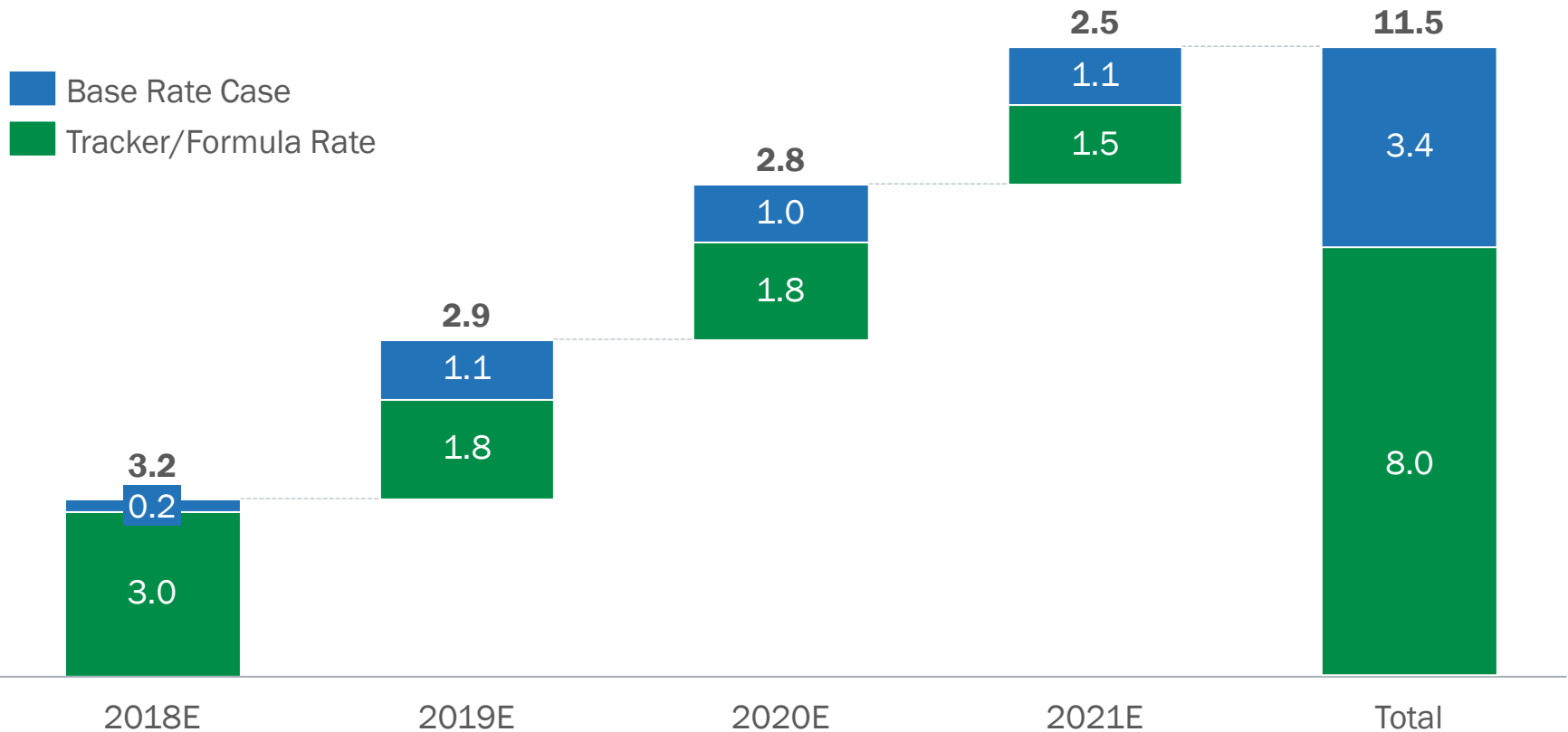
**\$21B of capital will be invested at Exelon utilities from 2018-2021 for grid modernization and customer satisfaction**

Note: CapEx numbers are rounded to nearest \$25M and numbers may not add due to rounding

(1) Rate base reflects year-end estimates

# Mechanisms Cover Bulk of Rate Base Growth

## Rate Base Growth Breakout 2018-2021 (\$B)



**Of the approximately \$11.5 billion of rate base growth Exelon Utilities forecasts over the next 4 years, ~70% will be recovered through existing formula and tracker mechanisms**

Note: Numbers may not add due to rounding

# Operating Highlights

Operations	Metric	At CEG Merger (2012)			2015	Q3 2018			
		BGE	ComEd	PECO	PHI	BGE	ComEd	PECO	PHI
Electric Operations	OSHA Recordable Rate								
	2.5 Beta SAIFI (Outage Frequency) <sup>(1)</sup>								
	2.5 Beta CAIDI (Outage Duration)								
Customer Operations	Customer Satisfaction				N/A				
	Service Level % of Calls Answered in <30 sec								
	Abandon Rate								
Gas Operations	Percent of Calls Responded to in <1 Hour		No Gas Operations				No Gas Operations		
Overall Rank	Electric Utility Panel of 24 Utilities <sup>(2)</sup>	23 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	18 <sup>th</sup>	Performance Quartiles			
						Q1	Q2	Q3	Q4

- Reliability performance remains strong in CAIDI and SAIFI across the utilities, while safety performance continues to improve
- Gas odor response remains strong in top decile across the utilities
- Customer operation metrics are strong across all utilities with BGE and ComEd performing in top decile for Customer Satisfaction and PHI in top decile for Service Level

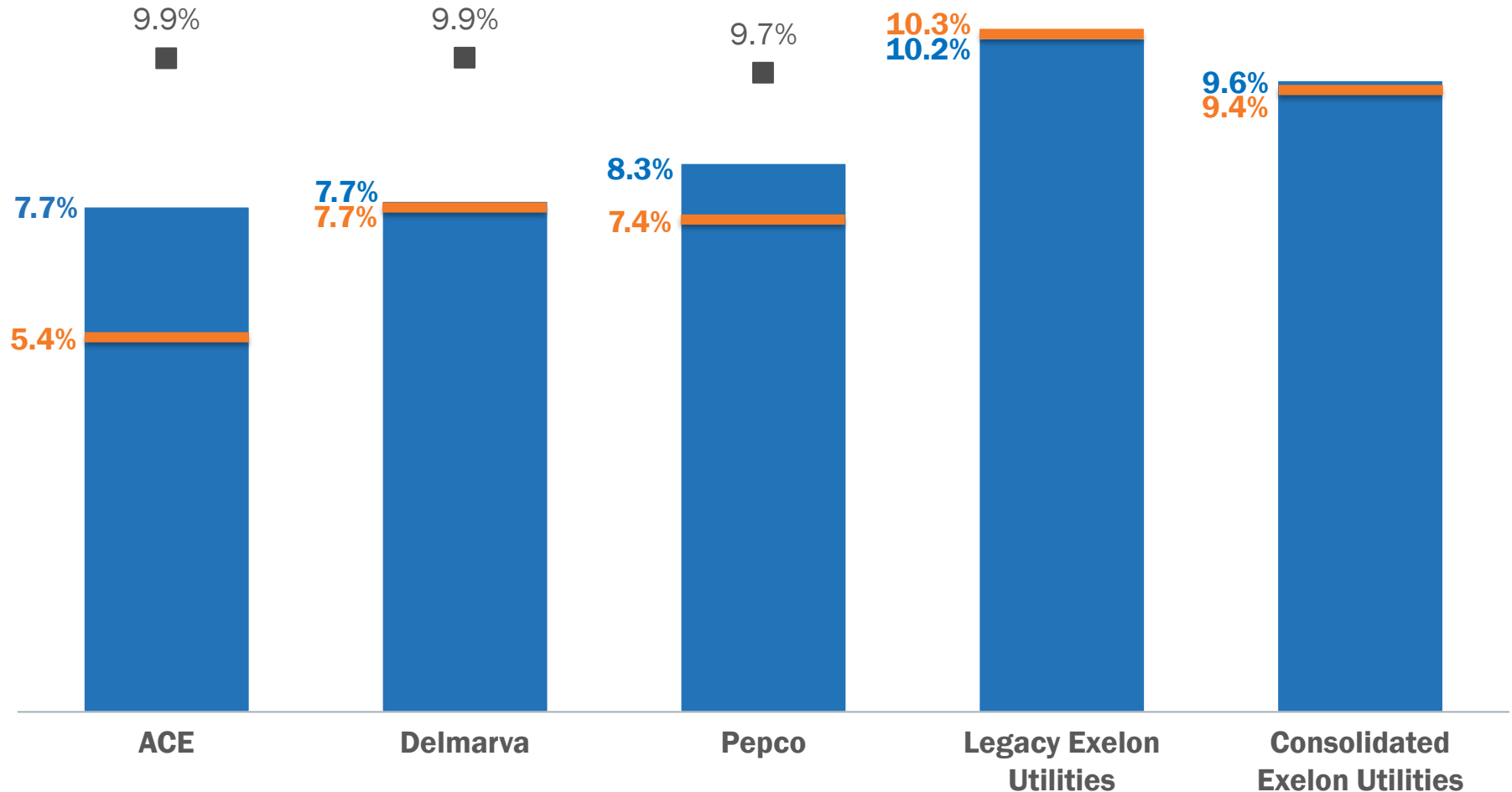
(1) 2.5 Beta SAIFI is YE projection

(2) Ranking based on results of five key industry performance indicators – CAIDI, SAIFI, Safety, Customer Satisfaction, and Cost per Customer

# Trailing Twelve Month Earned ROEs\* vs Allowed ROE

## Trailing Twelve Month Earned ROEs\*

■ Allowed ROE    — Q2 2018 TTM Earned ROE    ■ Q3 2018 TTM Earned ROE

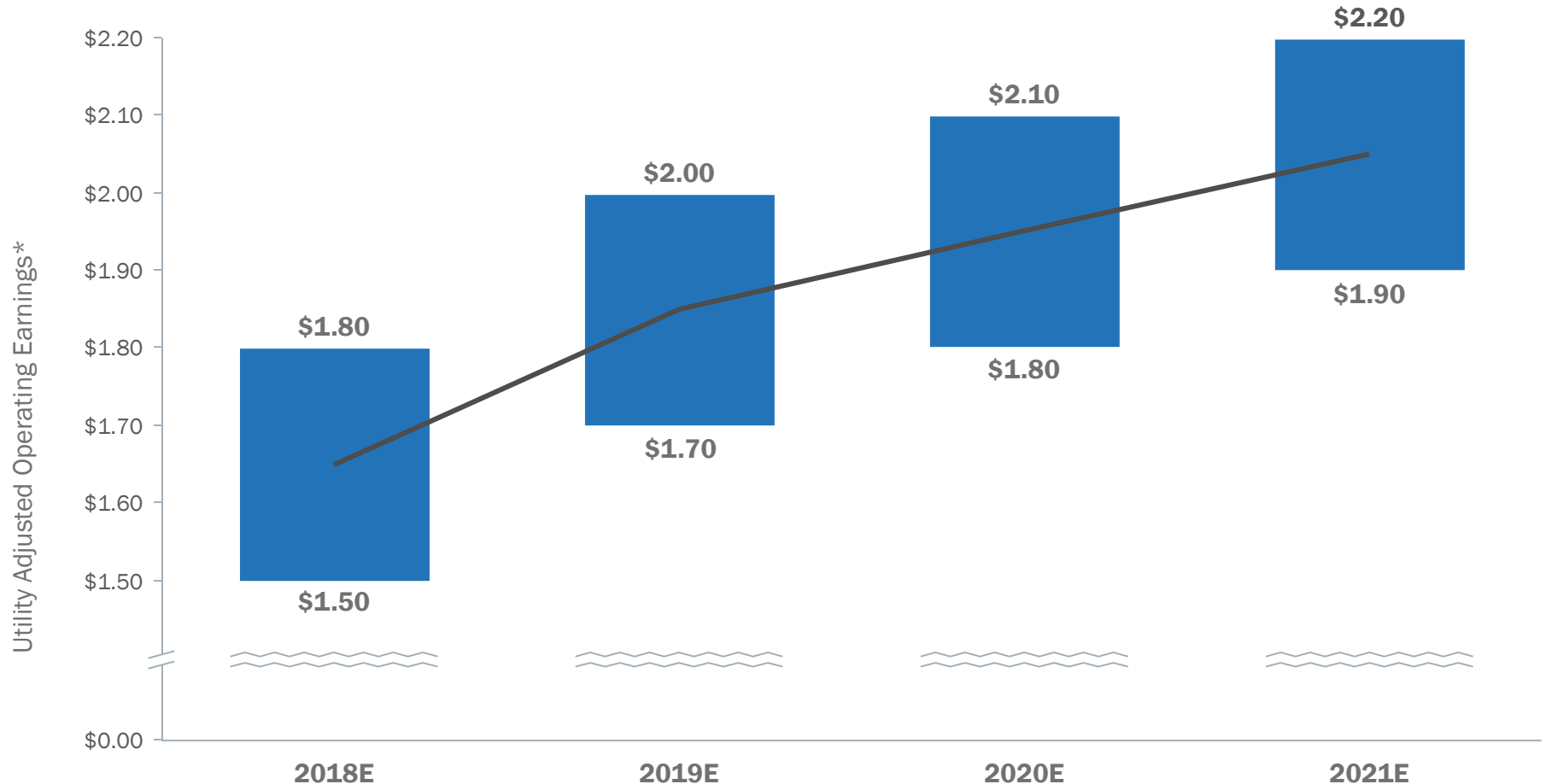


Note: Represents the twelve-month periods ending June 30, 2018 and September 30, 2018, respectively. Earned ROEs\* represent weighted average across all lines of business (Electric Distribution, Gas Distribution and Electric Transmission).



# Exelon Utilities EPS\* Growth of 6-8% to 2021

## Exelon Utilities Operating Earnings\* 2018-2021



**Rate base growth combined with PHI ROE improvement drives EPS growth**

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

# Exelon Utilities' Distribution Rate Case Updates

## Rate Case Schedule and Key Terms

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Revenue Requirement	Requested ROE / Equity Ratio	Expected Order
ComEd	RT	EH	IB RB			FO							(\$24.1M) <sup>(1,8)</sup>	8.69% / 47.11%	Dec 2018
Delmarva Electric (DE)		FO											(\$6.9M) <sup>(1,3)</sup>	9.70% / 50.52%	August 21, 2018
Delmarva Gas (DE)	RT		EH SA			FO							(\$3.5M) <sup>(1,4)</sup>	9.70% / 50.52%	Q4 2018
Pepco Electric (DC)		FO											(\$24.1M) <sup>(1,10)</sup>	9.525% / 50.44%	August 9, 2018
PECO Electric	RT	EH SA	IB RB			FO							\$25M <sup>(1,5,9)</sup>	N/A	Dec 2018
BGE <sup>(2)</sup> Gas			IT	RT	EH IB	RB	FO						\$82.4M <sup>(6)</sup>	10.5% / 52.85% <sup>(6)</sup>	Jan 2019
ACE <sup>(7)</sup>		CF			IT	RT		EH	IB RB				\$109.3M <sup>(1)</sup>	10.10% / 50.22%	Q3 2019
<div> <div>CF</div> Rate case filed           <div>RT</div> Rebuttal testimony           <div>IB</div> Initial briefs           <div>FO</div> Final commission order         </div> <div> <div>IT</div> Intervenor direct testimony           <div>EH</div> Evidentiary hearings           <div>RB</div> Reply briefs           <div>SA</div> Settlement agreement         </div>															

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

- (1) Revenue requirement includes changes in depreciation and amortization expense and other costs where applicable, which have no impact on pre-tax earnings
- (2) BGE briefing schedule will be determined during or at the end of the evidentiary hearing
- (3) As permitted by Delaware law, Delmarva Power implemented interim rate increases of \$2.5M on October 16, 2017, and implemented \$5.8M full allowable rates on March 17, 2018, subject to refund. Per Settlement Agreement filed on June 27, 2018. Includes tax benefits from Tax Cuts and Jobs Act.
- (4) As permitted by Delaware law, Delmarva Power implemented interim rate increases of \$2.5M on November 1, 2017, and implemented \$3.9M full allowable rates on March 17, 2018, subject to refund. Per partial Settlement Agreement filed on September 7, 2018. Includes tax benefits from Tax Cuts and Jobs Act.
- (5) On October 18, 2018, the presiding Administrative Law Judges issued the Recommended Decision that the Settlement Agreement reached with all active parties be approved without modification. The black box settlement does not stipulate any ROE, Equity Ratio and Rate Base. The rate case settlement agreement is subject to PaPUC approval expected in December, with rates effective January 1, 2018.
- (6) Reflects \$60.7M increase and \$21.7M STRIDE reset. Test year updated for May-July 2018 actuals and reflects long-term debt issuance made in September 2018.
- (7) Procedural schedule as proposed by the Company. ACE plans to put interim rates in effect nine months after the filing date, subject to refund, as allowed by the regulations.
- (8) Original filing amount was (\$22.9M). Recent discovery period removed additional (\$1.2M) of revenue requirement to limit issues in the proceeding.
- (9) Reflects \$96M revenue requirement less an estimated \$71M in 2019 tax benefit
- (10) Per Settlement Agreement filed on April 17, 2018. Includes tax benefits from Tax Cuts and Jobs Act.

# Exelon Generation Overview

15,000  
Employees



#1

Lowest carbon  
intensity among large  
power generators

#1

Retail electricity  
provider in the  
country

210 TWh

Customer Load  
Served

35,200 MW  
Capacity

94.1%<sup>1</sup>

Nuclear Capacity  
Factor in 2017

98.8%

Gas and Hydro  
Dispatch Match  
in 2017

Top 10  
gas marketer

213 TWh  
Generation Output

Note: All numbers reflect year-end 2017

(1) Capacity factor excludes impacts of Salem



# Constellation Overview

2,200  
Employees

2 M  
(Approx.)  
Customers Served

#1 Retail  
Retail Electricity  
Provider in the U.S.  
Among the  
top 10 largest  
gas providers in  
the U.S.

1.7 TCF  
Gas Delivered

In 2017, procured  
2.8 million  
RECs for customers,  
enabling them to avoid  
approximately  
1.2 million<sup>1</sup>  
metric tons of GHG  
emissions and support  
the development of  
renewable power  
generation

Served 2/3  
of the Fortune 100

48  
Operate in  
48 States

35,600  
Volunteer Hours

210 TWH  
Customer Load  
Served

Note: All numbers reflect year-end 2017

(1) As calculated based on the national average generation supply mix used in EPA eGRID2014.

# Best in Class at ExGen and Constellation

## Exelon Generation Operational Metrics

- Continued best in class performance across our Nuclear fleet:
  - Capacity factor for Exelon owned and operated units was 94.1%<sup>(1)</sup>
  - This was the second consecutive year over 94% and the fourth out of the last five years topping 94%
  - Most nuclear power ever generated at 157 TWhs<sup>(2)</sup>
  - 2017 average refueling outage duration of 23 days, just over the Exelon record of 22 days set in 2016
- Strong performance across our Fossil and Renewable fleet:
  - Renewables energy capture: 95.8%
  - Power dispatch match: 98.8%

## Constellation Metrics

**74% retail power customer renewal rate**

**24% power new customer win rate**

**90% natural gas customer retention rate**

**25 month average power contract term**

**Average customer duration of more than 5 years**

**Stable Retail Margins**

Note: Statistics represent full year 2017 results

(1) 2017 capacity factor includes FitzPatrick for the Exelon period of ownership and operation (March 31 to December 31, 2017) and excludes impacts of Salem

(2) Reflects generation output at ownership

# Exelon Generation: Gross Margin Update

Gross Margin Category (\$M) <sup>(1)</sup>	September 30, 2018			Change from June 30, 2018		
	2018	2019	2020	2018	2019	2020
Open Gross Margin <sup>(2,5)</sup> (including South, West, Canada hedged gross margin)	\$4,800	\$4,300	\$3,900	\$100	\$250	\$100
Capacity and ZEC Revenues <sup>(2,5,6)</sup>	\$2,300	\$2,050	\$1,900	-	-	-
Mark-to-Market of Hedges <sup>(2,3)</sup>	\$350	\$250	\$250	\$(50)	\$(150)	\$(50)
Power New Business / To Go	\$100	\$550	\$800	\$(50)	\$(50)	-
Non-Power Margins Executed	\$400	\$200	\$150	\$50	\$50	\$50
Non-Power New Business / To Go	\$100	\$300	\$350	\$(50)	\$(50)	\$(50)
<b>Total Gross Margin*<sup>(4,5)</sup></b>	<b>\$8,050</b>	<b>\$7,650</b>	<b>\$7,350</b>	<b>-</b>	<b>\$50</b>	<b>\$50</b>

## Recent Developments

- Open Gross Margin (“OGM”) is up in 2018 due to higher NiHub, West Hub, and NY Zone A prices, partly offset by weaker ERCOT spark spreads
- 2019 and 2020 OGM is up due to stronger ERCOT spark spreads and higher West Hub prices; 2019 OGM is also up on higher NiHub and New York Zone A prices
- Mark-to-Market of Hedges is down in all years on higher prices, offset by the execution of Power New Business in 2018/2019
- Executed \$50M of Non-Power New Business in all years
- Behind ratable hedging position reflects the upside we see in power prices
  - ~9-12% behind ratable in 2019 when considering cross commodity hedges

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

(2) Excludes EDF's equity ownership share of the CENG Joint Venture

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

(4) Based on September 30, 2018, market conditions

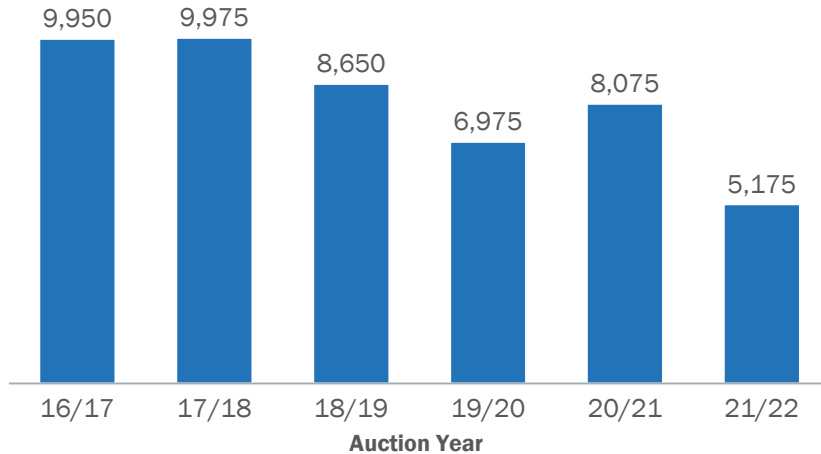
(5) Reflects Oyster Creek retirement in September 2018 and TMI retirement by September 2019

(6) 2018 includes \$150M of IL ZEC revenues associated with 2017 production. 2019 and 2020 include the favorable impact of NJ ZEC revenues.

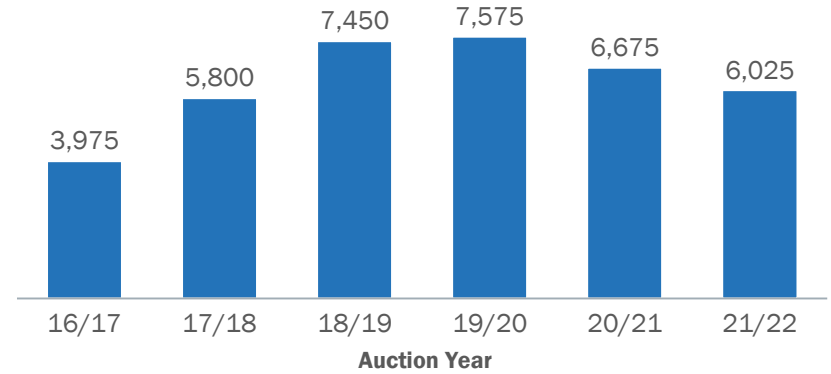


# Capacity Market: PJM

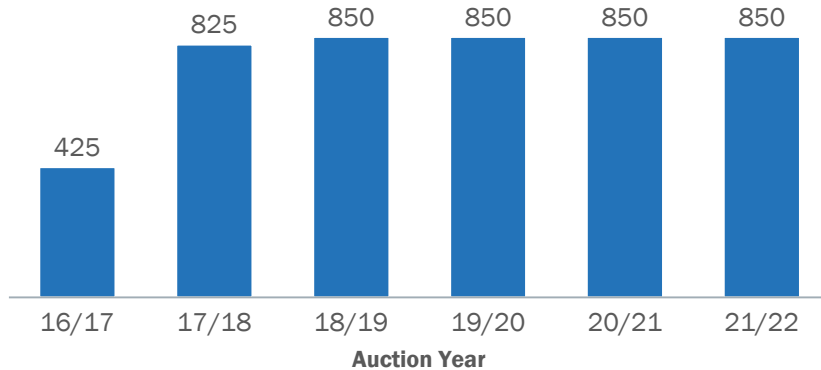
## ComEd Cleared Volumes (MW)



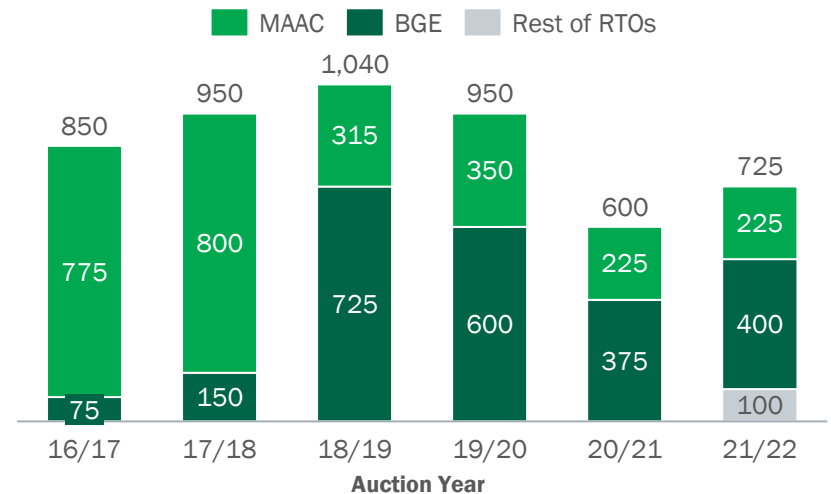
## EMAAC Cleared Volumes (MW)



## SWMAAC Cleared Volumes (MW)



## MAAC, BGE, and Rest of RTO Cleared Volumes (MW)

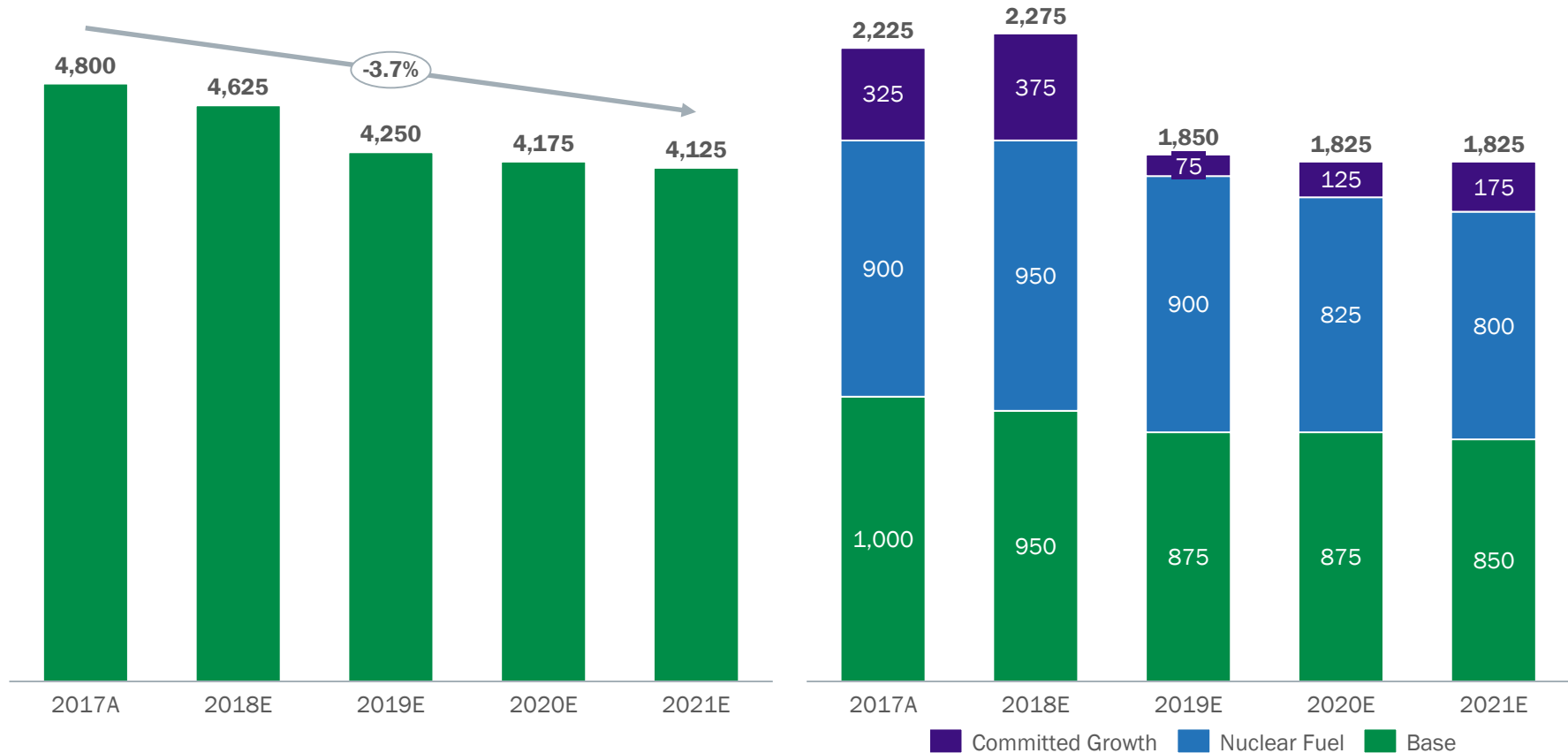


Note: Reflects 50.01% ownership at CENG and volumes at ownership are rounded. 16/17 and 17/18 are volumes cleared in the capacity performance transition auctions.

# Driving Costs and Capital Out of the Generation Business

## Adjusted O&M\* (\$M)<sup>(1,2)</sup>

## Capital Expenditures (\$M)<sup>(1,3,4)</sup>

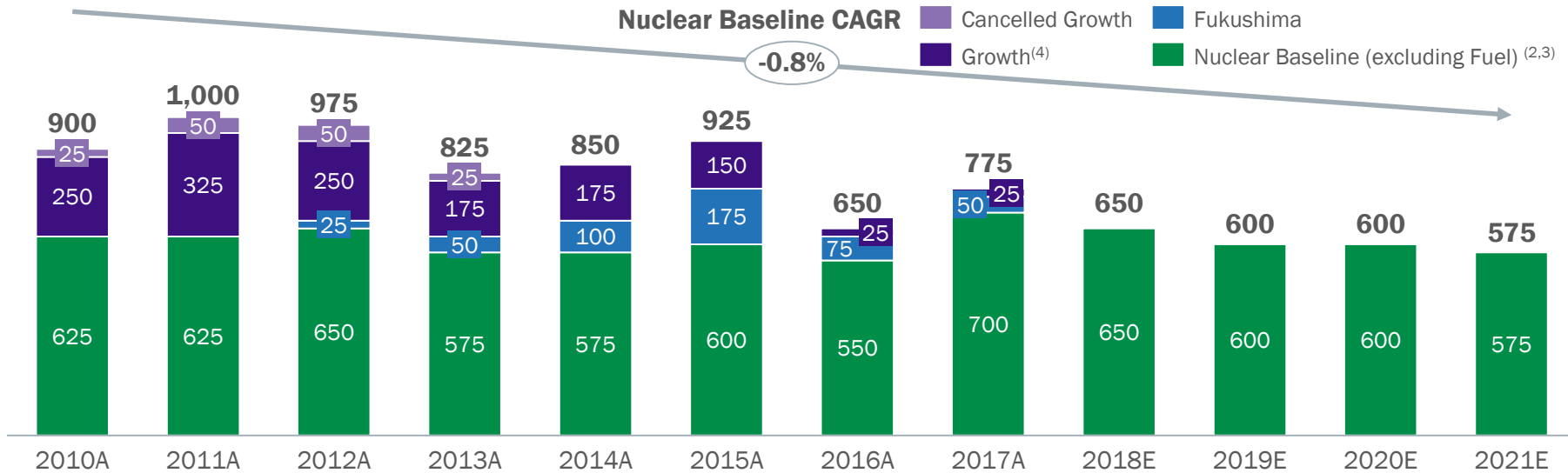


## Cost optimization programs and planned nuclear plant closures drive lower total O&M

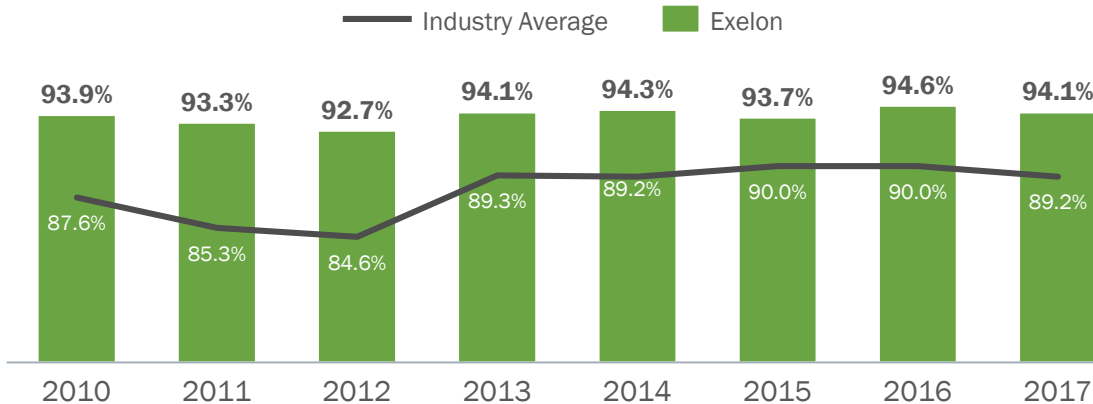
- (1) All amounts rounded to the nearest \$25M  
 (2) O&M and Capital Expenditures reflect removal of Oyster Creek and TMI in 2018 and 2019, respectively, and is adjusted for retaining Handley Generating Station  
 (3) Capital spend represents cash CapEx with CENG at 100% and excludes merger commitments  
 (4) 2018E growth capital expenditures reflects a ~\$175M shift of cash outlay from 2017A to 2018E related to timing of payments for the CCGT projects in Texas

# Historical Nuclear Capital Investment

## Nuclear Non-Fuel Capital Expenditures<sup>(1)</sup> (\$M)



## Nuclear Capacity Factor<sup>(5,6)</sup>



Significant historical investments have mitigated asset management issues and prepared sites for license extensions already received, reducing future capital needs. In addition, internal cost initiatives have found more cost efficient solutions to large CapEx spend, such as leveraging reverse engineering replacements rather than large system wide modifications, resulting in baseline CAGR of -0.8%, even with net addition of 2 sites.

- (1) Reflects accrual capital expenditures with CENG at 50% ownership. Assumes Oyster Creek and TMI retirements in October 2018 and September 2019, respectively. All numbers rounded to \$25M.  
 (2) Baseline includes ownership share of Salem all years. CENG is included at ownership share starting in 2014 (full year)  
 (3) FitzPatrick included starting in 2017 (9 months only)  
 (4) Growth represents capital that increases the capacity of the units (e.g., turbine upgrades, power uprates), and capital that extends the license of a site (e.g., License Renewals)  
 (5) Includes CENG beginning in April 2014 and FitzPatrick beginning in April of 2017, excludes Salem and Fort Calhoun  
 (6) Industry average is for major operators excluding Exelon and includes 3 months of Fitzpatrick prior to Exelon acquisition

# Financial Overview

# Raising Lower End of 2018 Guidance Range

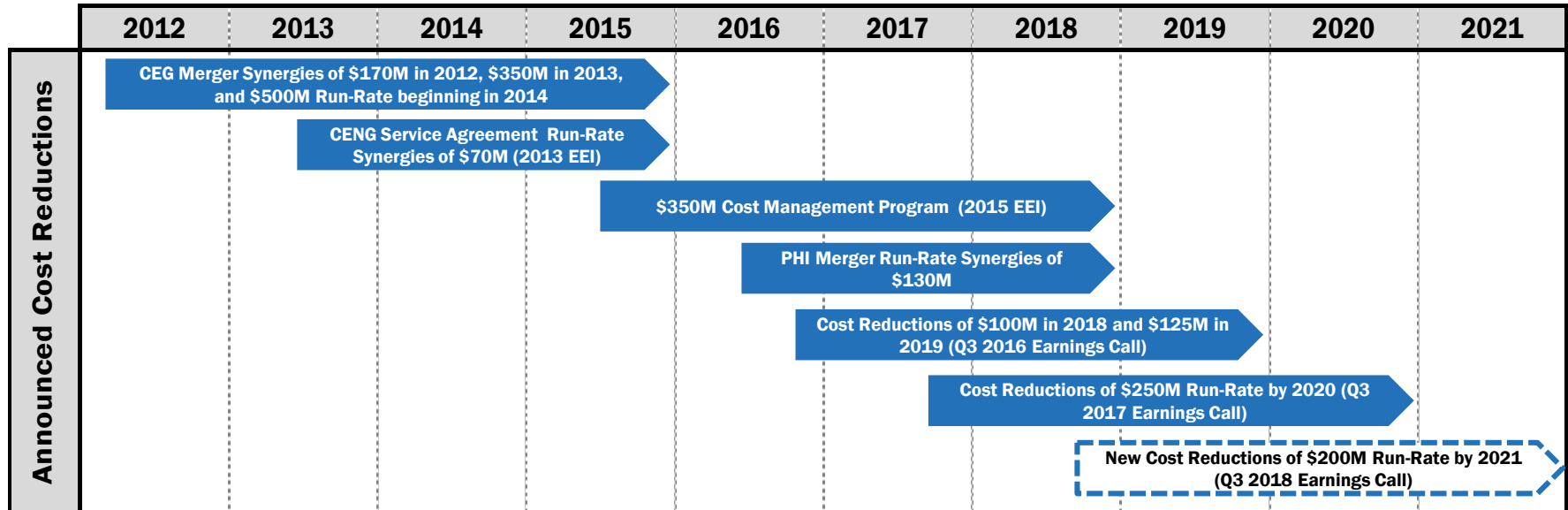


Note: Amounts may not sum due to rounding

(1) 2018 Adjusted Operating Earnings\* guidance based on expected average outstanding shares of 969M

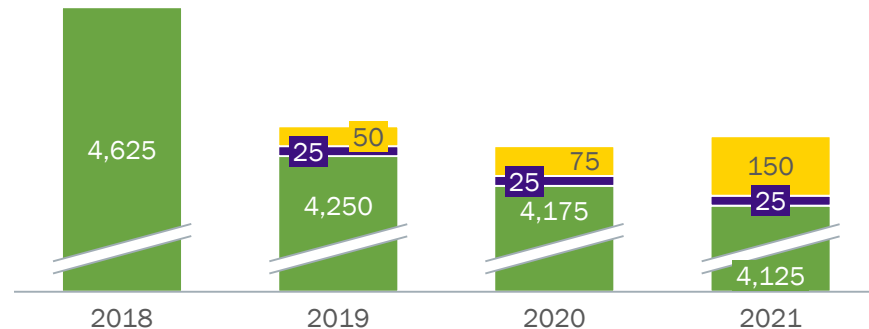
# Cost Management is Integral to Our Business Strategy

## ExGen and BSC Cost Reductions Since Constellation Merger



### ExGen Forecast O&M\* Q3 2018 (\$M)

■ Q3 '18 Cost Reductions ■ Other Adjustments<sup>(1)</sup> ■ ExGen Total O&M



(1) Primarily pension updates due to higher interest rates

### Key Commentary

- Committing to \$200M in additional cost reductions
  - \$100M at ExGen
  - \$100M at Business Services Company – approximately 50% of savings will be allocated to ExGen
- Since 2015, Exelon has announced more than \$900M of cost reductions

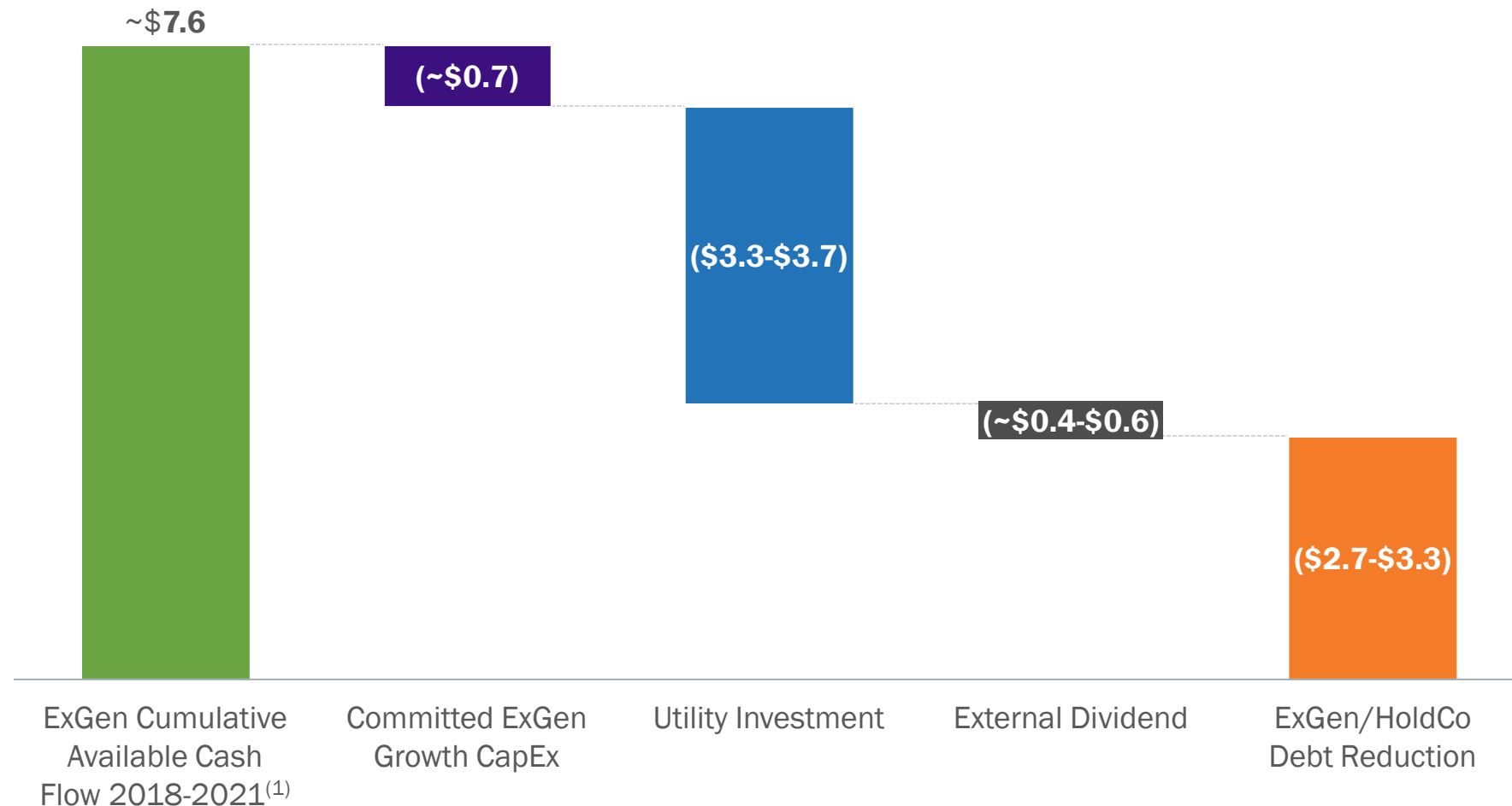


# ExGen's Strong Available Cash Flow\* Supports Utility Growth and Debt Reduction

ZECJ-FIN-21

PUBLIC

## 2018-2021 Exelon Generation Available Cash Flow and Uses of Cash\* (\$B)



## Redeploying Exelon Generation's available cash flow\* to maximize shareholder value

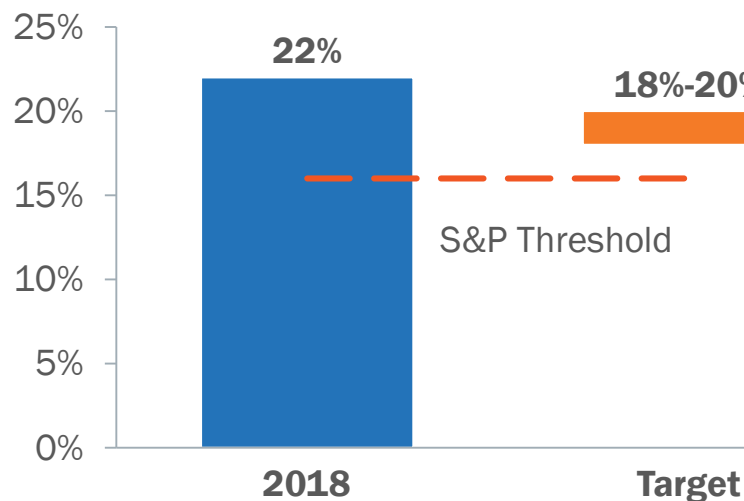
(1) Cumulative Available Cash Flow\* is a midpoint of a range based on December 31, 2017, market prices. Sources include change in margin, tax sharing agreement, equity investments, equity distributions for renewables JV and Bluestem tax equity, and acquisitions and divestitures.

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

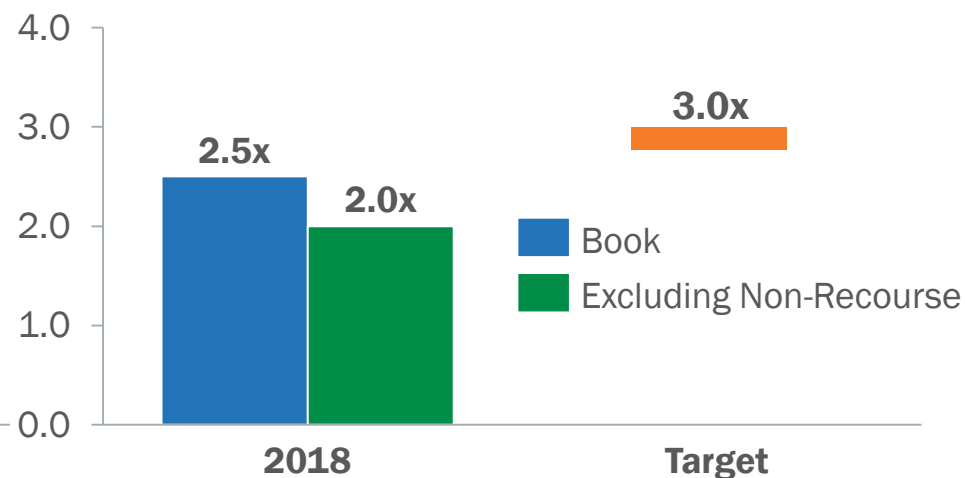
ZECJ-FIN-21

PUBLIC

## Exelon S&P FFO/Debt %<sup>\*(1,4)</sup>



## ExGen Debt/EBITDA Ratio<sup>\*(5)</sup>



## Credit Ratings by Operating Company

Current Ratings <sup>(2,3)</sup>	ExCorp	ExGen	ComEd	PECO	BGE	ACE	DPL	Pepco
<b>Moody's</b>	Baa2	Baa2	A1	Aa3	A3	A3 <sup>(3)</sup>	A2	A2
<b>S&amp;P</b>	BBB- <sup>(3)</sup>	BBB <sup>(3)</sup>	A- <sup>(3)</sup>	A- <sup>(3)</sup>	A- <sup>(3)</sup>	A <sup>(3)</sup>	A <sup>(3)</sup>	A <sup>(3)</sup>
<b>Fitch</b>	BBB <sup>(3)</sup>	BBB	A	A <sup>(3)</sup>	A- <sup>(3)</sup>	A-	A	A-

(1) Due to ring-fencing, S&P deconsolidates BGE from Exelon and analyzes solely as an equity investment

(2) Current senior unsecured ratings as of November 1, 2018, for Exelon, Exelon Generation and BGE and senior secured ratings for ComEd, PECO, ACE, DPL, and Pepco

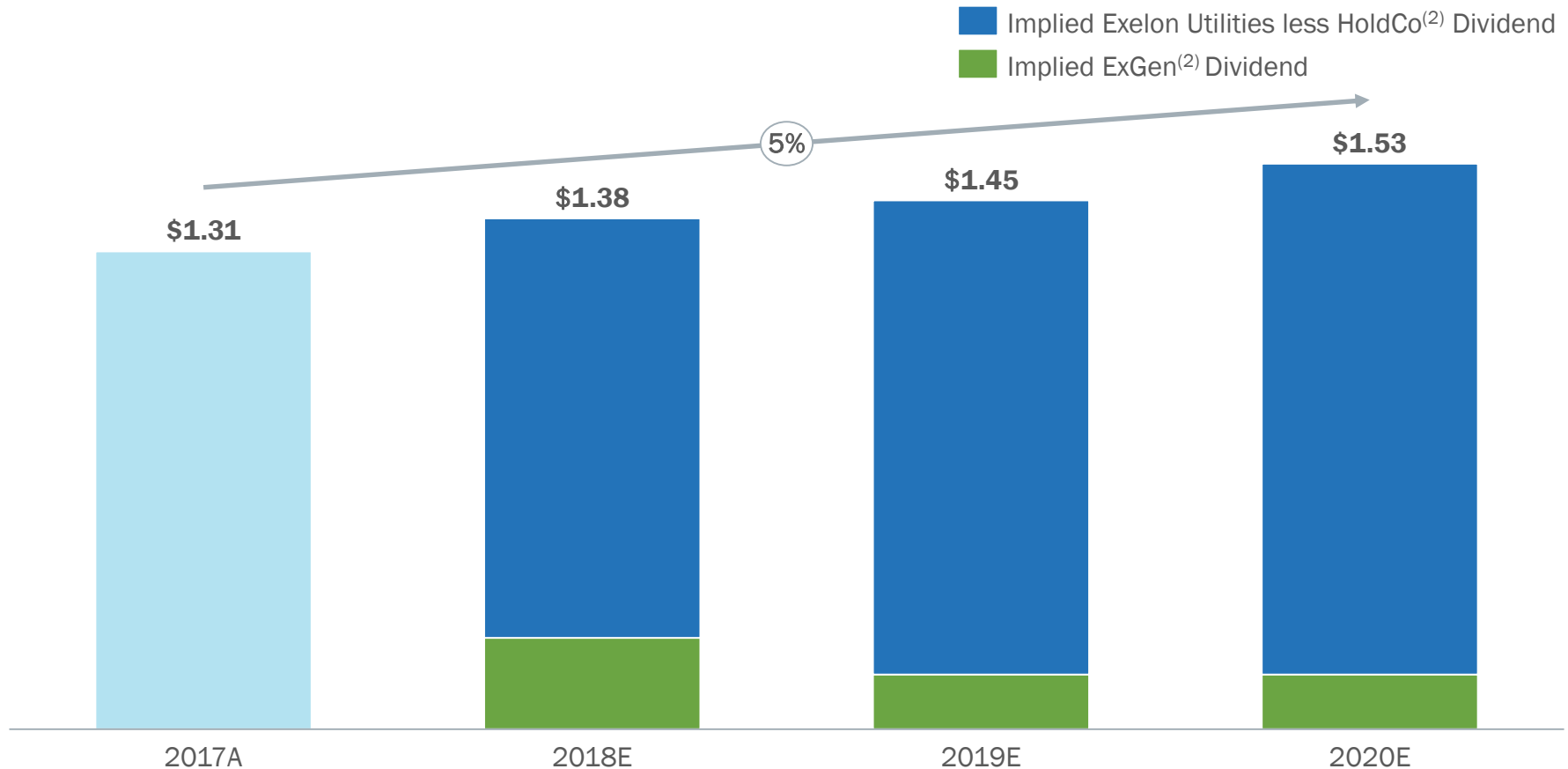
(3) Exelon Corp and all subsidiaries are on "Positive" outlook at S&P; Exelon Corp, PECO, and BGE are on "Positive" outlook at Fitch; ACE is on "Positive" outlook at Moody's; all other ratings have a "Stable" outlook

(4) Exelon Corp downgrade threshold (red dotted line) is based on the S&P Exelon Corp Summary Report; represents minimum level to maintain current Issuer Credit Rating at Exelon Corp

(5) Reflects net book debt (YE debt less cash on hand) / adjusted operating EBITDA\*

# Raising Dividend Growth Rate to 5% Annually through 2020

## Dividends per Share<sup>(1)</sup>



**Assuming a steady 70% payout ratio on Utility less HoldCo earnings, ExGen's contribution to the Exelon dividend represents a modest payout on earnings and free cash flow**

(1) Quarterly dividends are subject to declaration by the board of directors

(2) Total projected Dividend per Share (DPS) figures are illustrative of a 5% growth annually applied to the 2017 dividend. Implied Exelon Utilities contribution is based on a 70% payout on the midpoint of the EPS guidance band for Exelon Utilities less HoldCo. Implied ExGen contribution is based on the remaining balance between the illustrative total annual DPS and the Implied Exelon Utilities contribution.

# Exelon Recognition and Partnerships

## Sustainability



### Dow Jones Sustainability Index

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



### Newsweek Magazine's Green Rankings

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



### Land for People Award 2017

Received the Trust for Public Land's national "Land for People Award" in recognition of Exelon's deep support of environmental stewardship, creating new parks and promoting conservation.

## Community Engagement



### \$52.1 million

Last year, Exelon and its employees set all-time records, committing more than \$52.1 million to non-profit organizations and volunteering more than 210,000 hours.



### Points of Light, "The Civic 50" 2017

Exelon was named for the first time to the Civic 50, recognizing the most community-minded companies by Points of Light, the world's largest organization dedicated to volunteer service.



### 2017 Laurie D. Zelon Pro Bono Award

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



### Kids in Need of Defense Innovation Award

Exelon's legal department and the Baltimore chapter of Organization of Latinos at Exelon (OLE) for their work with unaccompanied minors from Central America.

## Diversity and Inclusion



### HeForShe

Exelon joined U.N. Women's HeForShe campaign, which is focused on gender equality. Pledge includes a \$3 million commitment to develop new STEM programs for girls and young women and improve the retention of women at Exelon by 2020.



### Billion Dollar Roundtable

Exelon became the first energy company to join the Billion Dollar Roundtable, an organization that promotes supplier diversity for corporations achieving \$1 billion or more in annual direct spending with minority and women-owned businesses.



### CEO Action for Diversity & Inclusion

Exelon joined 150 leading companies for the CEO Action for Diversity & Inclusion™, the largest CEO-driven commitment aimed at taking action to cultivate a workplace where diverse perspectives and experiences are welcomed and respected.

## Workforce



### DiversityInc Top 50 Companies 2018

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



### Indeed.com "50 Best Places to Work" 2017

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



### Human Rights Campaign "Best Places to Work" 2011-2018

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



### The Military Times Best for Vets 2013-2018

For the sixth year in a row, Exelon received this recognition for its commitment to providing opportunities to America's veterans.



### Historically Black Engineering Schools 2013-2017

Exelon was recognized as a top corporate supporter of the nation's historically black engineering programs.

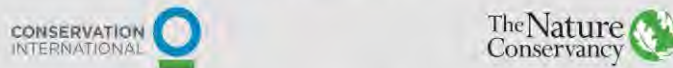
# Climate Leadership Council - Founding Members

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

## Corporate Founding Members



## NGO Founding Members



## The Four Pillars of a Carbon Dividends Plan:

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

# Appendix

# 2018 Projected Sources and Uses of Cash

(\$M) <sup>(1)</sup>	BGE	ComEd	PECO	PHI	Total Utilities	ExGen	Corp <sup>(8)</sup>	Exelon 2018E	Cash Balance
<b>Beginning Cash Balance*<sup>(2)</sup></b>									<b>1,450</b>
Adjusted Cash Flow from Operations* <sup>(2)</sup>	750	1,650	650	1,100	4,175	3,800	175	8,150	
Base CapEx and Nuclear Fuel <sup>(3)</sup>	0	0	0	0	0	(1,975)	(50)	(2,025)	
<b>Free Cash Flow*</b>	<b>750</b>	<b>1,650</b>	<b>650</b>	<b>1,100</b>	<b>4,175</b>	<b>1,825</b>	<b>125</b>	<b>6,125</b>	
Debt Issuances	300	1,350	700	750	3,100	0	0	3,100	
Debt Retirements	0	(850)	(500)	(275)	(1,625)	0	0	(1,625)	
Project Financing	n/a	n/a	n/a	n/a	n/a	(100)	n/a	(100)	
Equity Issuance/Share Buyback	0	0	0	0	0	0	0	0	
Contribution from Parent	100	500	50	350	1,000	0	(1,000)	0	
Other Financing <sup>(4)</sup>	50	0	50	(125)	(25)	50	(50)	(25)	
<b>Financing*<sup>(5)</sup></b>	<b>475</b>	<b>1,000</b>	<b>300</b>	<b>700</b>	<b>2,475</b>	<b>(50)</b>	<b>(1,050)</b>	<b>1,375</b>	
<b>Total Free Cash Flow and Financing</b>	<b>1,225</b>	<b>2,650</b>	<b>950</b>	<b>1,800</b>	<b>6,625</b>	<b>1,775</b>	<b>(925)</b>	<b>7,475</b>	
Utility Investment	(1,000)	(2,125)	(850)	(1,500)	(5,475)	0	0	(5,475)	
ExGen Growth <sup>(3,6)</sup>	0	0	0	0	0	(350)	0	(350)	
Acquisitions and Divestitures	0	0	0	0	0	(25)	0	(25)	
Equity Investments	0	0	0	0	0	(25)	0	(25)	
Dividend <sup>(7)</sup>	0	0	0	0	0	0	(1,325)	(1,325)	
<b>Other CapEx and Dividend</b>	<b>(1,000)</b>	<b>(2,125)</b>	<b>(850)</b>	<b>(1,500)</b>	<b>(5,475)</b>	<b>(400)</b>	<b>(1,325)</b>	<b>(7,225)</b>	
<b>Total Cash Flow</b>	<b>225</b>	<b>525</b>	<b>100</b>	<b>275</b>	<b>1,150</b>	<b>1,375</b>	<b>(2,250)</b>	<b>275</b>	
<b>Ending Cash Balance*<sup>(2)</sup></b>									<b>1,725</b>

- (1) All amounts rounded to the nearest \$25M. Figures may not add due to rounding.
- (2) Gross of posted counterparty collateral
- (3) Figures reflect cash CapEx and CENG fleet at 100%
- (4) Other Financing primarily includes changes in money pool borrowings, tax sharing from the parent, debt issue costs, tax equity cash flows, capital leases, and renewable JV distributions
- (5) Financing cash flow excludes intercompany dividends
- (6) ExGen Growth CapEx primarily includes Texas CCGTs, W. Medway, and Retail Solar
- (7) Dividends are subject to declaration by the Board of Directors
- (8) Includes cash flow activity from Holding Company, eliminations, and other corporate entities

## Consistent and reliable free cash flows

*Operational excellence and financial discipline drives free cash flow reliability*

- ✓ Generating \$6.1B of free cash flow\*, including \$1.8B at ExGen and \$4.2B at the Utilities

## Supported by a strong balance sheet

*Strong balance sheet enables flexibility to raise and deploy capital for growth*

- ✓ \$1.5B of long-term debt at the utilities, net of refinancing, to support continued growth

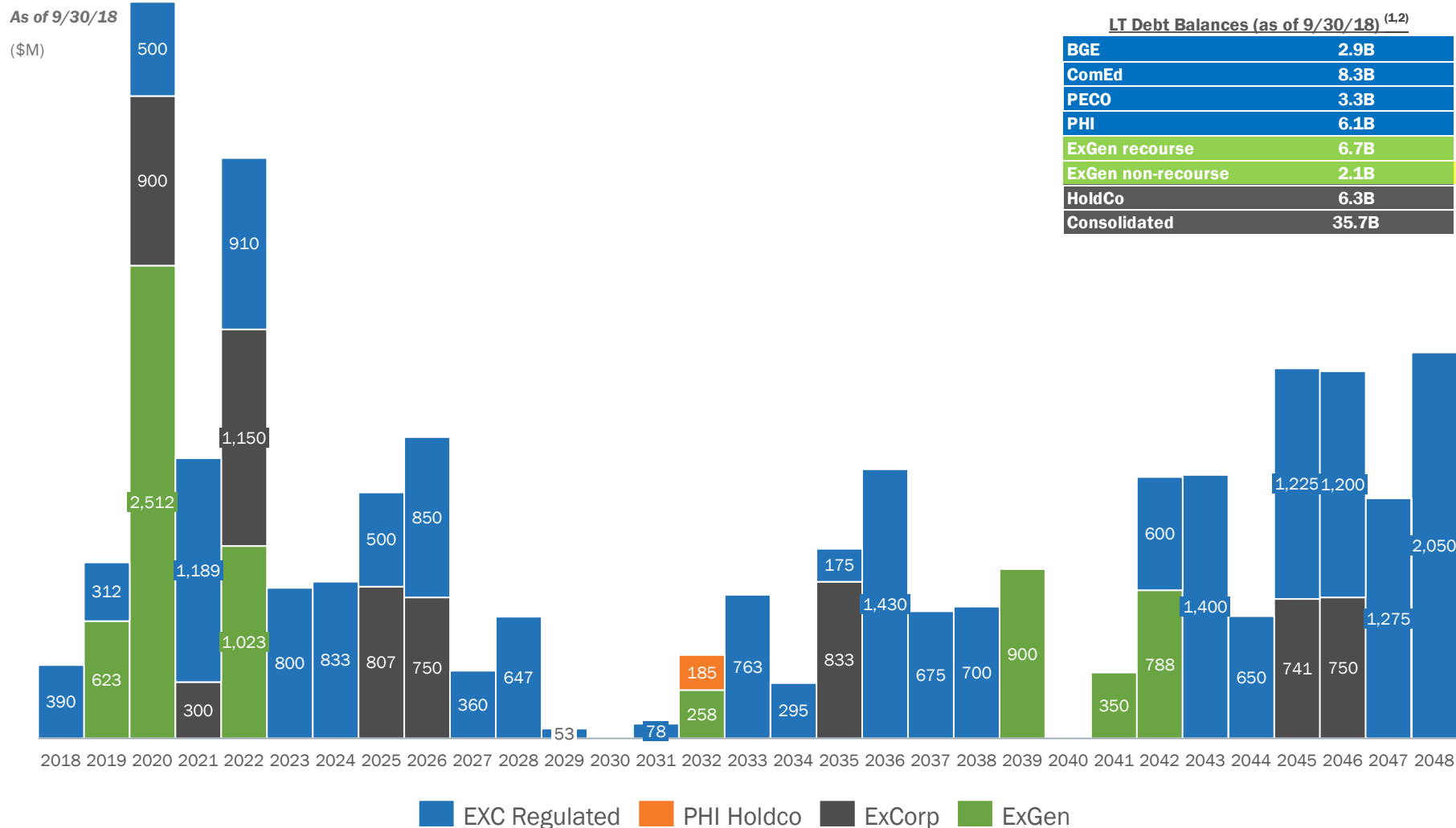
## Enable growth & value creation

*Creating value for customers, communities and shareholders*

- ✓ Investing \$5.9B of growth capex, with \$5.5B at the Utilities and \$0.4B at ExGen

Note: Numbers may not add due to rounding

# Exelon Debt Maturity Profile<sup>(1)</sup>



**Exelon's weighted average LTD maturity is approximately 15 years**

- (1) Maturity profile excludes non-recourse debt, securitized debt, capital leases, fair value adjustments, unamortized debt issuance costs and unamortized discount/premium  
 (2) Long-term debt balances reflect Q3 2018 10-Q GAAP financials; ExGen debt includes legacy CEG debt

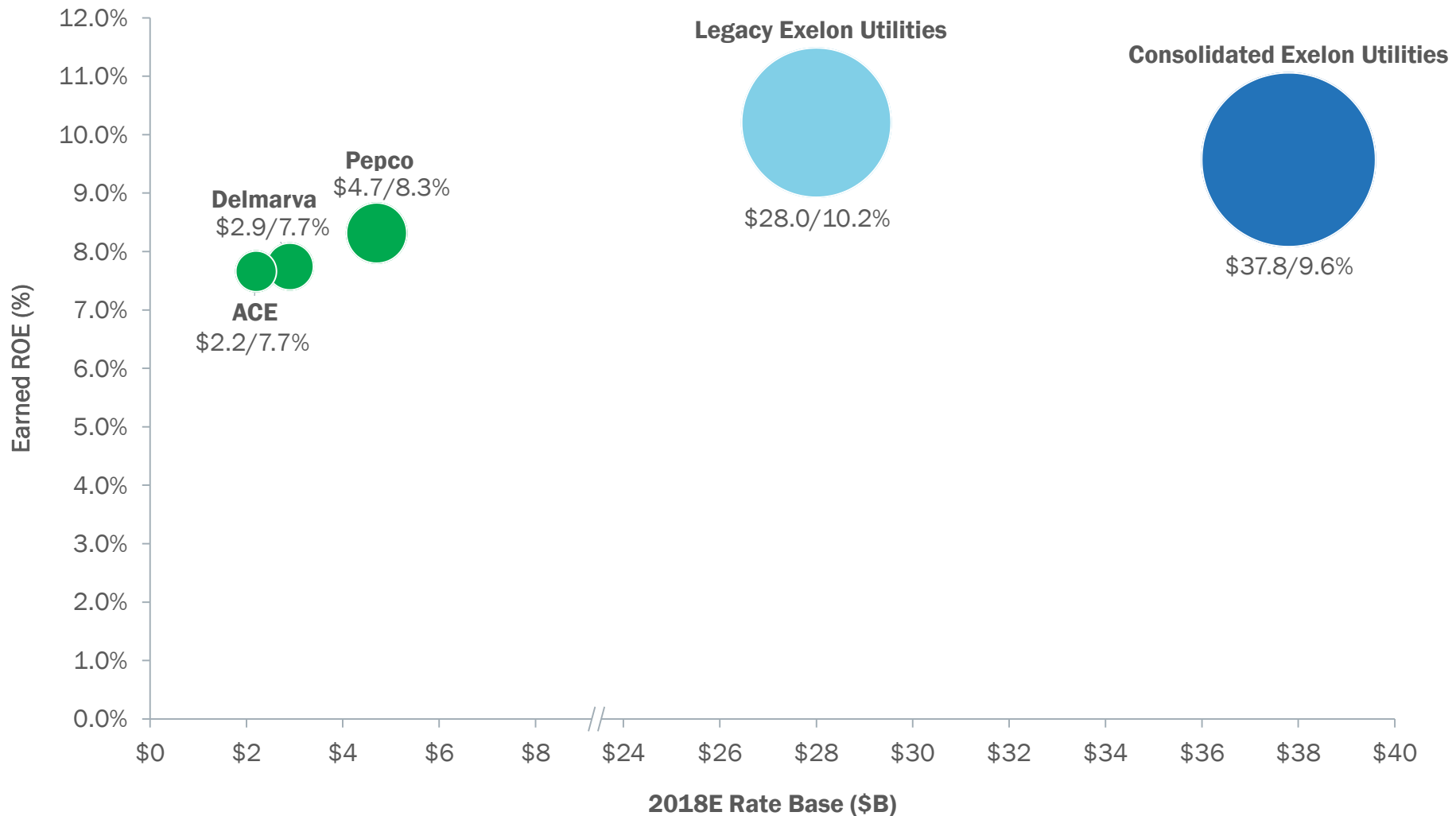


	2018	2019	2020
Henry Hub Natural Gas			
+ \$1/MMBtu	(\$0.01)	\$0.15	\$0.34
- \$1/MMBtu	\$0.02	(\$0.11)	(\$0.30)
NiHub ATC Energy Price			
+ \$5/MWh	\$0.00	\$0.08	\$0.20
- \$5/MWh	\$0.00	(\$0.08)	(\$0.20)
PJM-W ATC Energy Price			
+ \$5/MWh	(\$0.00)	\$0.02	\$0.07
- \$5/MWh	\$0.00	\$0.00	(\$0.07)
ComEd ROE	\$0.02	\$0.03	\$0.04
Pension Expense	-	\$0.03	\$0.03
Cost of Debt	(\$0.00)	(\$0.00)	(\$0.01)
Share count (millions)	969	972	975
Exelon Consolidated Effective Tax Rate	18%	19%	20%

(1) Based on September 30, 2018, market conditions and hedged position. Gas price sensitivities are based on an assumed gas-power relationship derived from an internal model that is updated periodically. Power price sensitivities are derived by adjusting the power price assumption while keeping all other price inputs constant. Due to correlation of the various assumptions, the EPS impact calculated by aggregating individual sensitivities may not be equal to the EPS impact calculated when correlations between the various assumptions are also considered.

# Exelon Utilities Trailing Twelve Month Earned ROEs\*

## Q3 2018: Trailing Twelve Month Earned ROEs\*



Note: Represents the twelve-month period ending September 30, 2018. Earned ROEs\* represent weighted average across all lines of business (Electric Distribution, Gas Distribution, and Electric Transmission). Size of bubble based on rate base.

# **Exelon Generation Disclosures**

**Data as of September 30, 2018**

**These disclosures were presented on November 1, 2018, and are not being updated at this time**

# Portfolio Management Strategy

## Strategic Policy Alignment

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

## Three-Year Ratable Hedging

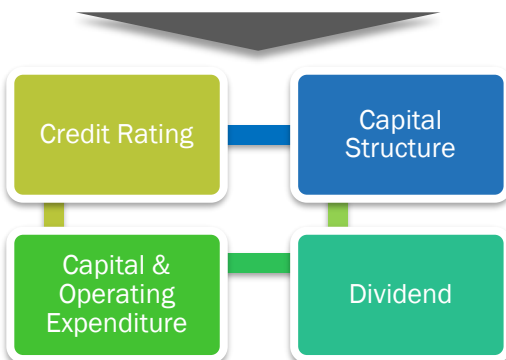
- Ensure stability in near-term cash flows and earnings
- Disciplined approach to hedging
- Tenor aligns with customer preferences and market liquidity
- Multiple channels to market that allow us to maximize margins
- Large open position in outer years to benefit from price upside

## Bull / Bear Program

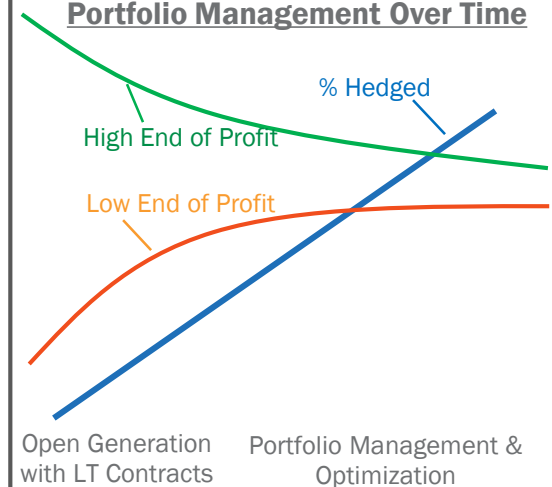
- Ability to exercise fundamental market views to create value within the ratable framework
- Modified timing of hedges versus purely ratable
- Cross-commodity hedging (heat rate positions, options, etc.)
- Delivery locations, regional and zonal spread relationships

## Align Hedging & Financials

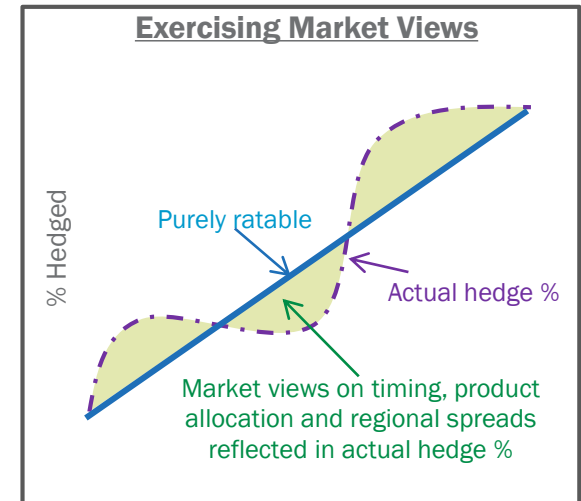
### Establishing Minimum Hedge Targets



## Portfolio Management Over Time



## Exercising Market Views



**Protect Balance Sheet**

**Ensure Earnings Stability**

**Create Value**

# ExGen Disclosures

<b>Gross Margin Category (\$M)<sup>(1)</sup></b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Open Gross Margin (including South, West & Canada hedged GM) <sup>(2,5)</sup>	\$4,800	\$4,300	\$3,900
Capacity and ZEC Revenues <sup>(2,5,6)</sup>	\$2,300	\$2,050	\$1,900
Mark-to-Market of Hedges <sup>(2,3)</sup>	\$350	\$250	\$250
Power New Business / To Go	\$100	\$550	\$800
Non-Power Margins Executed	\$400	\$200	\$150
Non-Power New Business / To Go	\$100	\$300	\$350
<b>Total Gross Margin*<sup>(4,5)</sup></b>	<b>\$8,050</b>	<b>\$7,650</b>	<b>\$7,350</b>

<b>Reference Prices<sup>(1)</sup></b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Henry Hub Natural Gas (\$/MMBtu)	\$2.94	\$2.78	\$2.65
Midwest: NiHub ATC prices (\$/MWh)	\$27.62	\$26.24	\$24.92
Mid-Atlantic: PJM-W ATC prices (\$/MWh)	\$36.54	\$33.53	\$31.59
ERCOT-N ATC Spark Spread (\$/MWh)	\$4.06	\$11.50	\$10.30
<i>HSC Gas, 7.2HR, \$2.50 VOM</i>			
New York: NY Zone A (\$/MWh)	\$31.86	\$29.49	\$27.89
New England: Mass Hub ATC Spark Spread (\$/MWh)	\$6.80	\$6.88	\$6.27
<i>ALQN Gas, 7.5HR, \$0.50 VOM</i>			

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

(2) Excludes EDF's equity ownership share of the CENG Joint Venture

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

(4) Based on September 30, 2018, market conditions

(5) Reflects Oyster Creek retirement in September 2018 and TMI retirement by September 2019

(6) 2018 includes \$150M of IL ZEC revenues associated with 2017 production. 2019 and 2020 include the favorable impact of NJ ZEC revenues.

# ExGen Disclosures

Generation and Hedges	2018	2019	2020
<b>Exp. Gen (GWh)<sup>(1)</sup></b>	<b>196,300</b>	<b>201,900</b>	<b>192,900</b>
Midwest	96,600	97,000	96,500
Mid-Atlantic <sup>(2,6)</sup>	60,300	54,000	48,500
ERCOT	16,900	25,500	23,700
New York <sup>(2,6)</sup>	16,200	16,600	15,600
New England	6,300	8,800	8,600
<b>% of Expected Generation Hedged<sup>(3)</sup></b>	<b>98%-101%</b>	<b>82%-85%</b>	<b>48%-51%</b>
Midwest	98%-101%	79%-82%	44%-47%
Mid-Atlantic <sup>(2,6)</sup>	100%-103%	94%-97%	61%-64%
ERCOT	98%-101%	78%-81%	49%-52%
New York <sup>(2,6)</sup>	98%-101%	93%-96%	57%-60%
New England	78%-81%	23%-26%	13%-16%
<b>Effective Realized Energy Price (\$/MWh)<sup>(4)</sup></b>			
Midwest	\$30.00	\$28.50	\$28.00
Mid-Atlantic <sup>(2,6)</sup>	\$39.00	\$37.50	\$37.00
ERCOT <sup>(5)</sup>	(\$2.00)	\$2.00	\$1.00
New York <sup>(2,6)</sup>	\$36.00	\$32.00	\$30.00
New England <sup>(5)</sup>	\$7.00	\$6.00	\$25.50

- (1) Expected generation is the volume of energy that best represents our commodity position in energy markets from owned or contracted for capacity based upon a simulated dispatch model that makes assumptions regarding future market conditions, which are calibrated to market quotes for power, fuel, load following products, and options. Expected generation assumes 14 refueling outages in 2018, 11 in 2019, and 14 in 2020 at Exelon-operated nuclear plants and Salem. Expected generation assumes capacity factors of 94.3%, 94.6% and 93.9% in 2018, 2019, and 2020, respectively at Exelon-operated nuclear plants, at ownership. These estimates of expected generation in 2019 and 2020 do not represent guidance or a forecast of future results as Exelon has not completed its planning or optimization processes for those years.
- (2) Excludes EDF's equity ownership share of CENG Joint Venture
- (3) Percent of expected generation hedged is the amount of equivalent sales divided by expected generation. Includes all hedging products, such as wholesale and retail sales of power, options and swaps.
- (4) Effective realized energy price is representative of an all-in hedged price, on a per MWh basis, at which expected generation has been hedged. It is developed by considering the energy revenues and costs associated with our hedges and by considering the fossil fuel that has been purchased to lock in margin. It excludes uranium costs, RPM capacity and ZEC revenues, but includes the mark-to-market value of capacity contracted at prices other than RPM clearing prices including our load obligations. It can be compared with the reference prices used to calculate open gross margin in order to determine the mark-to-market value of Exelon Generation's energy hedges.
- (5) Spark spreads shown for ERCOT and New England
- (6) Reflects Oyster Creek retirement in September 2018 and TMI retirement by September 2019

# ExGen Hedged Gross Margin\* Sensitivities

Gross Margin* Sensitivities (with existing hedges) <sup>(1)</sup>	2018	2019	2020
<b>Henry Hub Natural Gas (\$/MMBtu)</b>			
+ \$1/MMBtu	\$(10)	\$190	\$445
- \$1/MMBtu	\$20	\$(145)	\$(395)
<b>NiHub ATC Energy Price</b>			
+ \$5/MWh	-	\$100	\$265
- \$5/MWh	-	\$(100)	\$(265)
<b>PJM-W ATC Energy Price</b>			
+ \$5/MWh	\$(5)	\$20	\$95
- \$5/MWh	\$5	-	\$(90)
<b>NYPP Zone A ATC Energy Price</b>			
+ \$5/MWh	-	-	\$30
- \$5/MWh	-	\$(5)	\$(30)
<b>Nuclear Capacity Factor</b>			
+/- 1%	+/- \$10	+/- \$35	+/- \$30

(1) Based on September 30, 2018, market conditions and hedged position; gas price sensitivities are based on an assumed gas-power relationship derived from an internal model that is updated periodically; power price sensitivities are derived by adjusting the power price assumption while keeping all other price inputs constant; due to correlation of the various assumptions, the hedged gross margin impact calculated by aggregating individual sensitivities may not be equal to the hedged gross margin impact calculated when correlations between the various assumptions are also considered; sensitivities based on commodity exposure which includes open generation and all committed transactions; excludes EDF's equity share of CENG Joint Venture

# Additional ExGen Modeling Data

<b>Total Gross Margin Reconciliation (in \$M)<sup>(1)</sup></b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Revenue Net of Purchased Power and Fuel Expense<sup>*(2,3)</sup></b>	<b>\$8,525</b>	<b>\$8,125</b>	<b>\$7,800</b>
Other Revenues <sup>(4)</sup>	\$(200)	\$(175)	\$(200)
Direct cost of sales incurred to generate revenues for certain Constellation and Power businesses	\$(275)	\$(300)	\$(250)
<b>Total Gross Margin* (Non-GAAP)</b>	<b>\$8,050</b>	<b>\$7,650</b>	<b>\$7,350</b>

<b>Key ExGen Modeling Inputs (in \$M)<sup>(1,5)</sup></b>	<b>2018</b>
Other <sup>(6)</sup>	\$250
Adjusted O&M*	\$(4,625)
Taxes Other Than Income (TOTI) <sup>(7)</sup>	\$(375)
Depreciation & Amortization <sup>*(8)</sup>	\$(1,125)
Interest Expense	\$(400)
<b>Effective Tax Rate</b>	<b>22.0%</b>

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

(2) ExGen does not forecast the GAAP components of RNF separately, as to do so would be unduly burdensome. RNF also includes the RNF of our proportionate ownership share of CENG.

(3) Excludes the Mark-to-Market impact of economic hedging activities due to the volatility and unpredictability of the future changes to power prices

(4) Other Revenues reflects primarily revenues from JExel Nuclear JV, variable interest entities, funds collected through revenues for decommissioning the former PECO nuclear plants through regulated rates, and gross receipts tax revenues

(5) ExGen amounts for O&M, TOTI, Depreciation & Amortization; excludes EDF's equity ownership share of the CENG Joint Venture

(6) Other reflects Other Revenues excluding gross receipts tax revenues, includes nuclear decommissioning trust fund earnings from unregulated sites, and includes the minority interest in ExGen Renewables JV and Bloom. Other for 2018 is favorable due to NDTF realized gains that may not occur in 2019 and 2020.

(7) TOTI excludes gross receipts tax of \$150M

(8) 2019 Depreciation & Amortization is flat to 2018 and 2020 is favorable \$50M due to nuclear plant retirements



# **Appendix**

## **Reconciliation of Non-GAAP Measures**

# Projected GAAP to Operating Adjustments

---

- **Exelon's projected 2018 adjusted (non-GAAP) operating earnings excludes the earnings effects of the following:**
  - Mark-to-market adjustments from economic hedging activities
  - Unrealized gains and losses from NDT fund investments
  - Impairments of certain wind projects at Generation
  - Certain costs related to plant retirements
  - Costs incurred related to a cost management program
  - Non-cash impacts pursuant to the annual update of asset retirement obligations
  - Adjustment to the remeasurement of deferred income taxes as a result of the Tax Cuts and Jobs Act (TCJA) and changes in forecasted apportionment
  - Generation's noncontrolling interest, primarily related to CENG exclusion items
  - One-time impacts of adopting new accounting standards
  - Other unusual items

# GAAP to Non-GAAP Reconciliations<sup>(1)</sup>

$$\text{Exelon FFO/Debt}^{(2)} = \frac{\text{FFO (a)}}{\text{Adjusted Debt (b)}}$$

## Exelon FFO Calculation<sup>(2)</sup>

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

## Exelon Adjusted Debt Calculation<sup>(1)</sup>

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

(1) Due to the forward-looking nature of some forecasted non-GAAP measures, information to reconcile the forecasted adjusted (non-GAAP) measures to the most directly comparable GAAP measure may not be currently available; therefore, management is unable to reconcile these measures

(2) Calculated using S&P Methodology. Due to ring-fencing, S&P deconsolidates BGE from Exelon and analyzes solely as an equity investment

# GAAP to Non-GAAP Reconciliations<sup>(1)</sup>

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

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

## ExGen Net Debt Calculation

Long-Term Debt (including current maturities)  
 + Short-Term Debt  
- Cash on Balance Sheet  
**= Net Debt (a)**

## ExGen Net Debt Calculation Excluding Non-Recourse

Long-Term Debt (including current maturities)  
 + Short-Term Debt  
- Cash on Balance Sheet  
- Non-Recourse Debt  
**= Net Debt Excluding Non-Recourse (c)**

## ExGen Operating EBITDA Calculation

GAAP Operating Income  
+ Depreciation & Amortization  
 = EBITDA  
+/- GAAP to Operating Adjustments  
**= Operating EBITDA (b)**

## ExGen Operating EBITDA Calculation Excluding Non-Recourse

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

(1) Due to the forward-looking nature of some forecasted non-GAAP measures, information to reconcile the forecasted adjusted (non-GAAP) measures to the most directly comparable GAAP measure may not be currently available; therefore, management is unable to reconcile these measures

# GAAP to Non-GAAP Reconciliations

2018 Adjusted Cash from Ops Calculation (\$M) <sup>(1)</sup>	BGE	ComEd	PECO	PHI	ExGen	Other	Exelon
Net cash flows provided by operating activities (GAAP)	\$750	\$1,650	\$650	\$1,100	\$4,250	\$175	\$8,600
Other cash from investing activities	-	-	-	-	(\$275)	-	(\$275)
Counterparty collateral activity	-	-	-	-	(\$175)	-	(\$175)
<b>Adjusted Cash Flow from Operations</b>	<b>\$750</b>	<b>\$1,650</b>	<b>\$650</b>	<b>\$1,100</b>	<b>\$3,800</b>	<b>\$175</b>	<b>\$8,150</b>

2018 Cash From Financing Calculation (\$M) <sup>(1)</sup>	BGE	ComEd	PECO	PHI	ExGen	Other	Exelon
Net cash flow provided by financing activities (GAAP)	\$275	\$550	\$0	\$375	(\$1,050)	(\$100)	\$50
Dividends paid on common stock	\$200	\$450	\$300	\$325	\$1,000	(\$950)	\$1,325
<b>Financing Cash Flow</b>	<b>\$475</b>	<b>\$1,000</b>	<b>\$300</b>	<b>\$700</b>	<b>(\$50)</b>	<b>(\$1,050)</b>	<b>\$1,375</b>

Exelon Total Cash Flow Reconciliation <sup>(1)</sup>	2018
<b>GAAP Beginning Cash Balance</b>	<b>\$900</b>
Adjustment for Cash Collateral Posted	\$550
Adjusted Beginning Cash Balance <sup>(3)</sup>	\$1,450
Net Change in Cash (GAAP) <sup>(2)</sup>	\$275
Adjusted Ending Cash Balance <sup>(3)</sup>	\$1,725
Adjustment for Cash Collateral Posted	(\$375)
<b>GAAP Ending Cash Balance</b>	<b>\$1,350</b>

(1) All amounts rounded to the nearest \$25M. Items may not sum due to rounding.

(2) Represents the GAAP measure of net change in cash, which is the sum of cash flow from operations, cash from investing activities, and cash from financing activities. Figures reflect cash capital expenditures and CENG fleet at 100%.

(3) Adjusted Beginning and Ending cash balances reflect GAAP Beginning and End Cash Balances excluding counterparty collateral activity

# GAAP to Non-GAAP Reconciliations

<b>Q3 2018 Operating ROE Reconciliation (\$M)</b>	<b>ACE</b>	<b>Delmarva</b>	<b>Pepco</b>	<b>Legacy EXC</b>	<b>Consolidated EU</b>
Net Income (GAAP)	\$77	\$103	\$191	\$1,407	\$1,778
Operating Exclusions	\$5	\$8	\$24	\$2	\$40
Adjusted Operating Earnings	\$82	\$111	\$215	\$1,409	\$1,817
Average Equity	\$1,065	\$1,434	\$2,590	\$13,808	\$18,898
<b>Operating ROE (Adjusted Operating Earnings/Average Equity)</b>	<b>7.7%</b>	<b>7.7%</b>	<b>8.3%</b>	<b>10.2%</b>	<b>9.6%</b>

<b>Q2 2018 Operating ROE Reconciliation (\$M)</b>	<b>ACE</b>	<b>Delmarva</b>	<b>Pepco</b>	<b>Legacy EXC</b>	<b>Consolidated EU</b>
Net Income (GAAP)	\$57	\$102	\$189	\$1,384	\$1,731
Operating Exclusions	\$0	\$8	\$3	\$2	\$13
Adjusted Operating Earnings	\$57	\$109	\$192	\$1,386	\$1,744
Average Equity	\$1,044	\$1,425	\$2,577	\$13,439	\$18,485
<b>Operating ROE (Adjusted Operating Earnings/Average Equity)</b>	<b>5.4%</b>	<b>7.7%</b>	<b>7.4%</b>	<b>10.3%</b>	<b>9.4%</b>

Note: Items may not sum due to rounding

# GAAP to Non-GAAP Reconciliations

<b>ExGen Adjusted O&amp;M Reconciliation (\$M)<sup>(1)</sup></b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>GAAP O&amp;M</b>	<b>\$6,350</b>	<b>\$5,475</b>	<b>\$4,925</b>	<b>\$4,825</b>	<b>\$4,750</b>
Decommissioning <sup>(2)</sup>	25	50	50	50	50
TMI Retirement	(100)	-	-	-	-
EGTP Impairment	(450)	-	-	-	-
Oyster Creek Retirement <sup>(5)</sup>	-	(100)	-	-	-
Direct cost of sales incurred to generate revenues for certain Constellation and Power businesses <sup>(3)</sup>	(450)	(275)	(275)	(250)	(250)
O&M for managed plants that are partially owned	(400)	(400)	(400)	(425)	(425)
Other	(150)	(125)	(50)	(25)	-
<b>Adjusted O&amp;M (Non-GAAP)</b>	<b>\$4,800</b>	<b>\$4,625</b>	<b>\$4,250</b>	<b>\$4,175</b>	<b>\$4,125</b>

## 2018-2021 ExGen Available Cash Flow and Uses of Cash Calculation (\$M)<sup>(1)</sup>

Cash from Operations (GAAP)	\$15,975
Other Cash from Investing and Financing Activities	(\$1,200)
Baseline Capital Expenditures <sup>(6)</sup>	(\$3,675)
Nuclear Fuel Capital Expenditures	(\$3,450)
<b>Free Cash Flow before Growth CapEx and Dividend</b>	<b>\$7,625</b>

(1) All amounts rounded to the nearest \$25M. Items may not sum due to rounding.

(2) Reflects earnings neutral O&M

(3) Reflects the direct cost of sales of certain businesses, which are included in Total Gross Margin\*

(4) Baseline capital expenditures refer to maintenance and required capital expenditures necessary for day-to-day plant operations and includes merger commitments

(5) 2018 Decommissioning costs include \$75M of asset retirement obligations for Oyster Creek retirement acceleration

(6) Baseline capital expenditures refer to maintenance and required capital expenditures necessary for day-to-day plant operations and includes merger commitments