



Exelon and ExGen Business and Financial Update

**Moody's Annual Review Meeting
New York, NY
March 15, 2010
Exelon Confidential**





Introductions

- Chris Crane – President & Chief Operating Officer, Exelon
- Ken Cornew – Senior Vice President & President, Power Team
- Matt Hilzinger – Senior Vice President & Chief Financial Officer
- Chaka Patterson – Vice President & Treasurer
- JaCee Burnes – Vice President, Assistant Treasurer
- Jeanne Nurthen – Manager Treasury Operations

Exelon's Strategic Direction



Protect Today's Value



Grow Long-Term Value

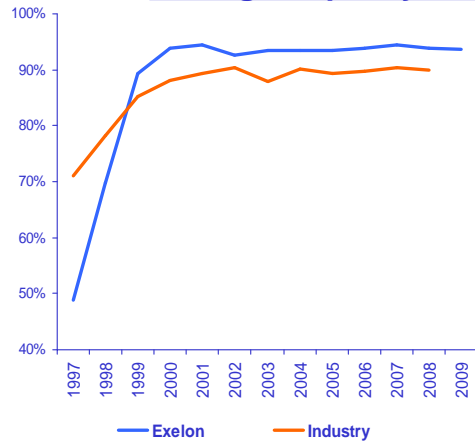
- Deliver superior operating performance
 - Advance competitive markets
 - Exercise financial discipline and maintain financial flexibility
 - Build healthy, self-sustaining delivery companies
- Drive the organization to the next level of performance
 - Adapt and advance Exelon 2020
 - Rigorously evaluate and pursue new growth opportunities in clean technologies and transmission
 - Build the premier, enduring competitive generation company

Excel in managing the elements of our business we can control, while being strategic, thoughtful and disciplined with the elements we cannot control

Delivering High-Performing Operating Results



Average Capacity Factor



Sustained production excellence

Note: Exelon data prior to 2000 represent ComEd-only nuclear fleet.

of Reactors per Operator represents as of 2008.

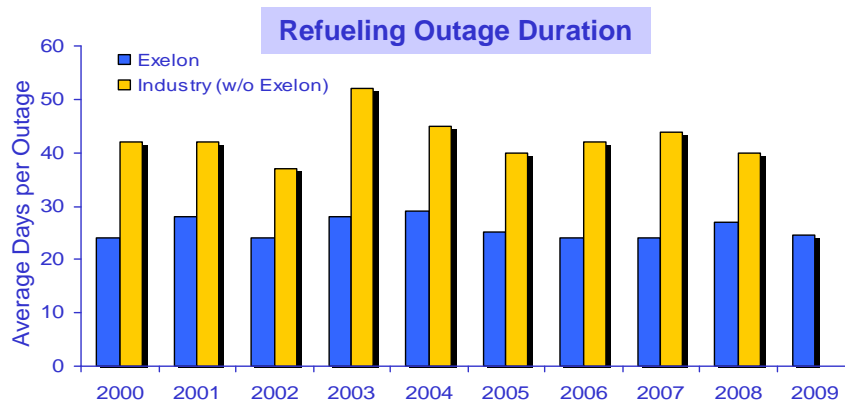
Sources: Platt's, Nuclear News, Nuclear Energy Institute and Energy Information Administration (Department of Energy).

Exelon Generation Consistently Delivers Top-Tier Results



2009 nuclear fleet achievements:

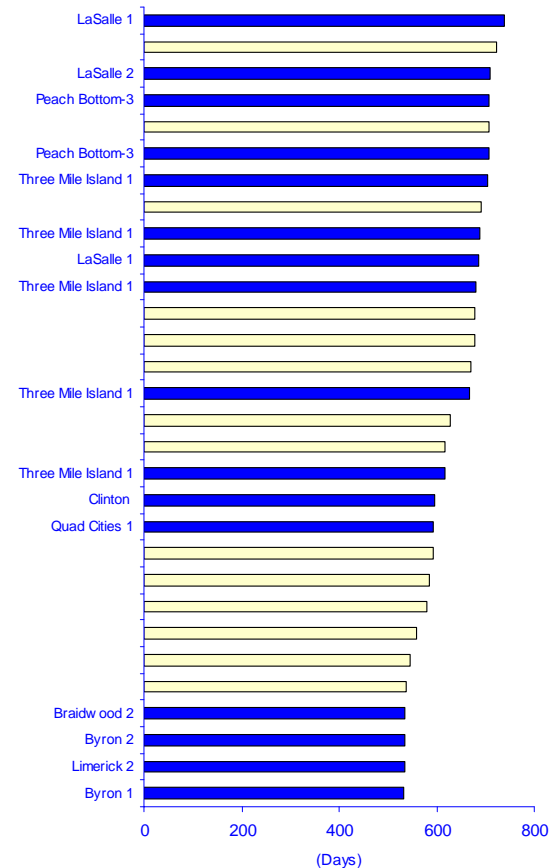
- **93.6% capacity factor – the 7th consecutive year exceeding 93%**
- **Clinton and Quad Cities 1 units established new continuous run records of 596 and 594 days, respectively**
- **TMI 1 unit set a new PWR world record for a 705-day continuous run**
- **Equipment upgrades and power uprates added 70 MW of nuclear capacity**



Note: Exelon data includes Salem. 2009 average includes 23 days of TMI outage that extended into 2010 reflecting steam generator replacement.

Nuclear Reliability

30 Longest Continuous U.S. Runs



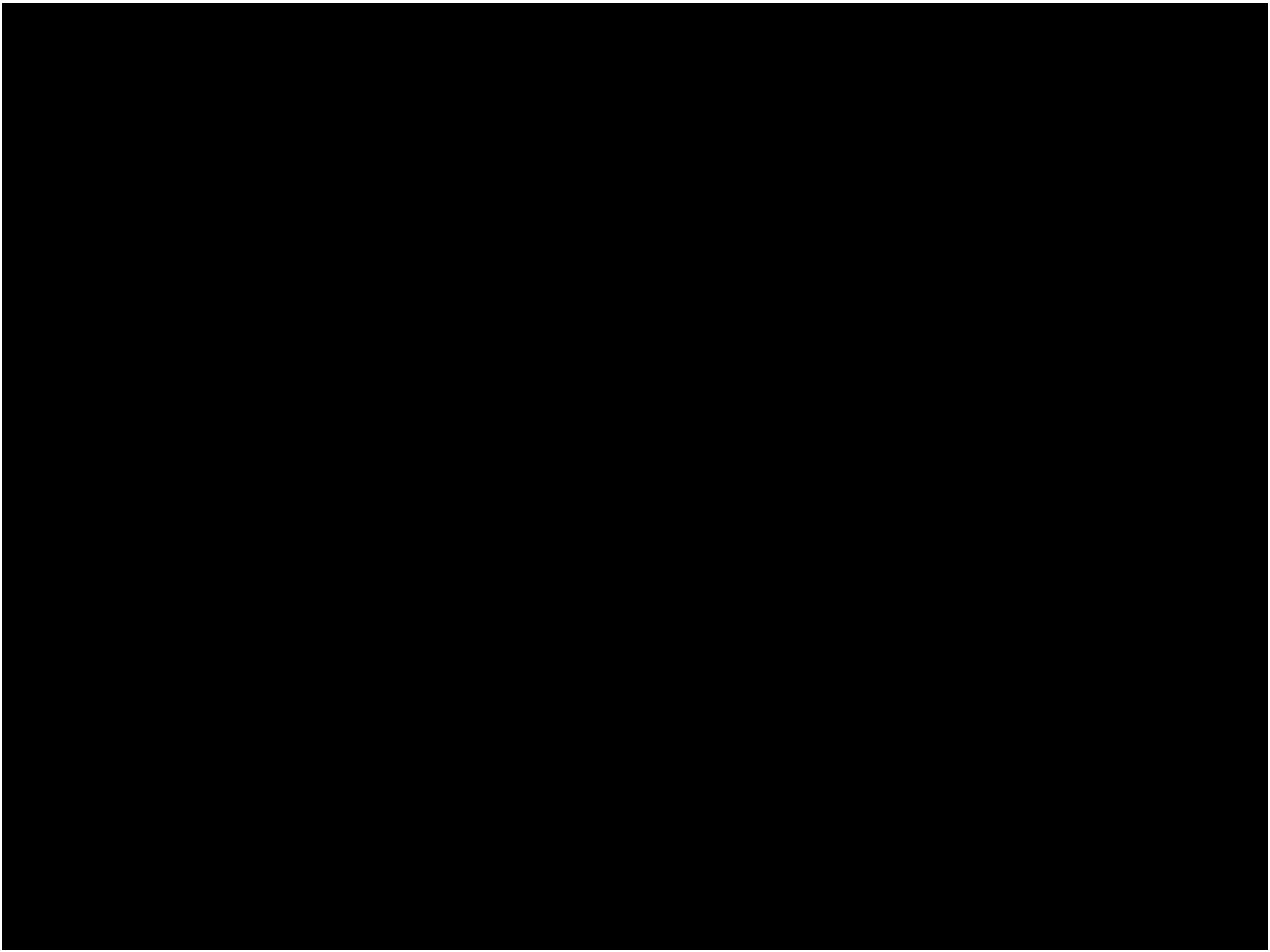
Source: Platts News Flashes and Company Press Releases, 11/3/09

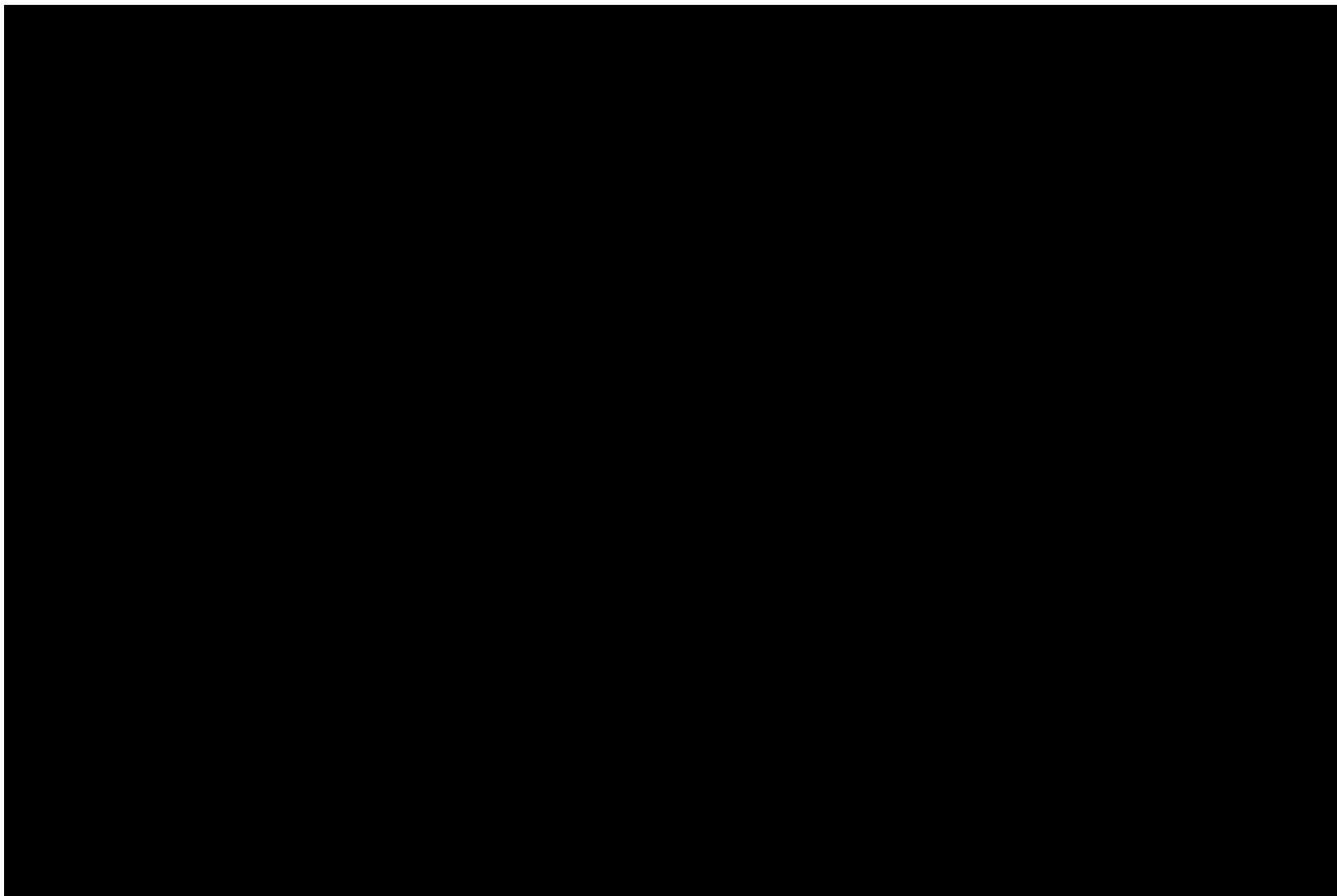
Exelon Generation has ability to replicate best practices on a large scale



Deploying Capital for Value

Nuclear Upgrades	<ul style="list-style-type: none">- 1,300–1,500 MW of new Exelon nuclear capacity by 2017, the equivalent of a new nuclear plant at roughly half the cost of a new plant and no incremental operating costs
Smart Grid	<ul style="list-style-type: none">- Approximately \$725 million in investments to build smart grid infrastructure over the coming years with a regulated return on investment
Transmission	<ul style="list-style-type: none">- Leveraging transmission expertise to build Exelon Transmission Company with the goal of improving reliability, reducing congestion and moving renewable energy to population centers
Commodity Leveraged	<ul style="list-style-type: none">- Positioned to benefit from increases in natural gas and coal prices, heat rates, and demand growth
Environmental	<ul style="list-style-type: none">- Lowest carbon intensity in the sector, significant upside if and when legislation enacted or regulations promulgated, and enhancing industry-leading position with Exelon 2020





Focusing on the Transmission Grid Across Exelon



ComEd and PECO

- Continued transmission investments focused in their service territories as required for reliability

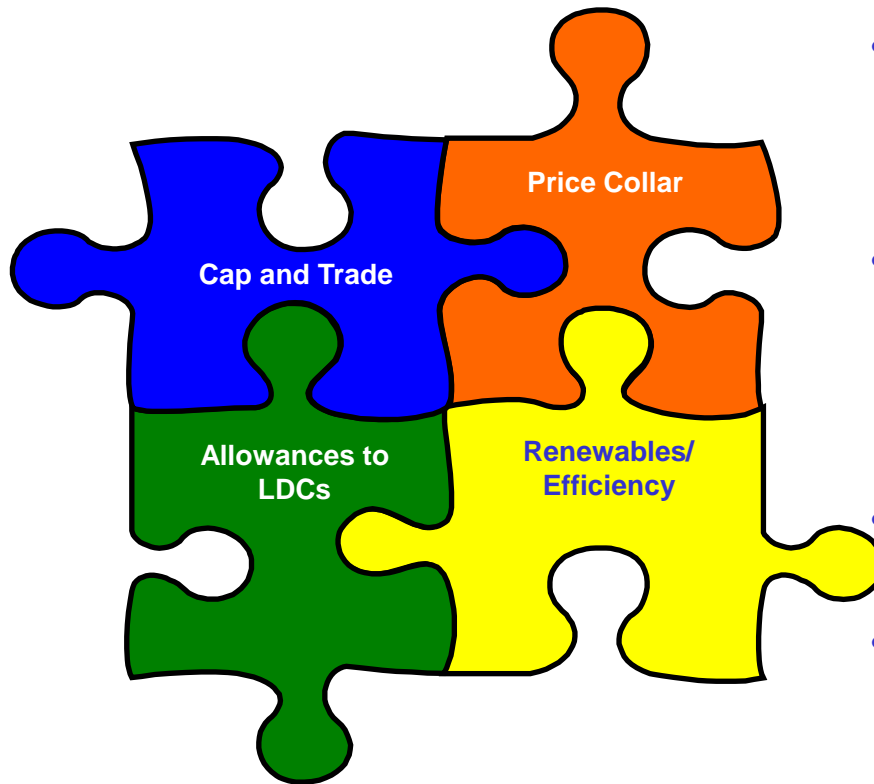
Exelon Generation

- Evaluating needed upgrades of the existing system to reduce constraints and improve power flow from our assets
- Projects would include short-term modifications to existing infrastructure

Exelon Transmission Company

- Invest in shovel ready projects with utilities
- Pursue Extra High Voltage (EHV) development opportunities in and around our existing footprint including partnerships with Exelon utilities and regional developers
- Expand focus beyond our footprint and evaluate partnering with renewable developers including merchant transmission

Climate Legislation Has 4 Key Components

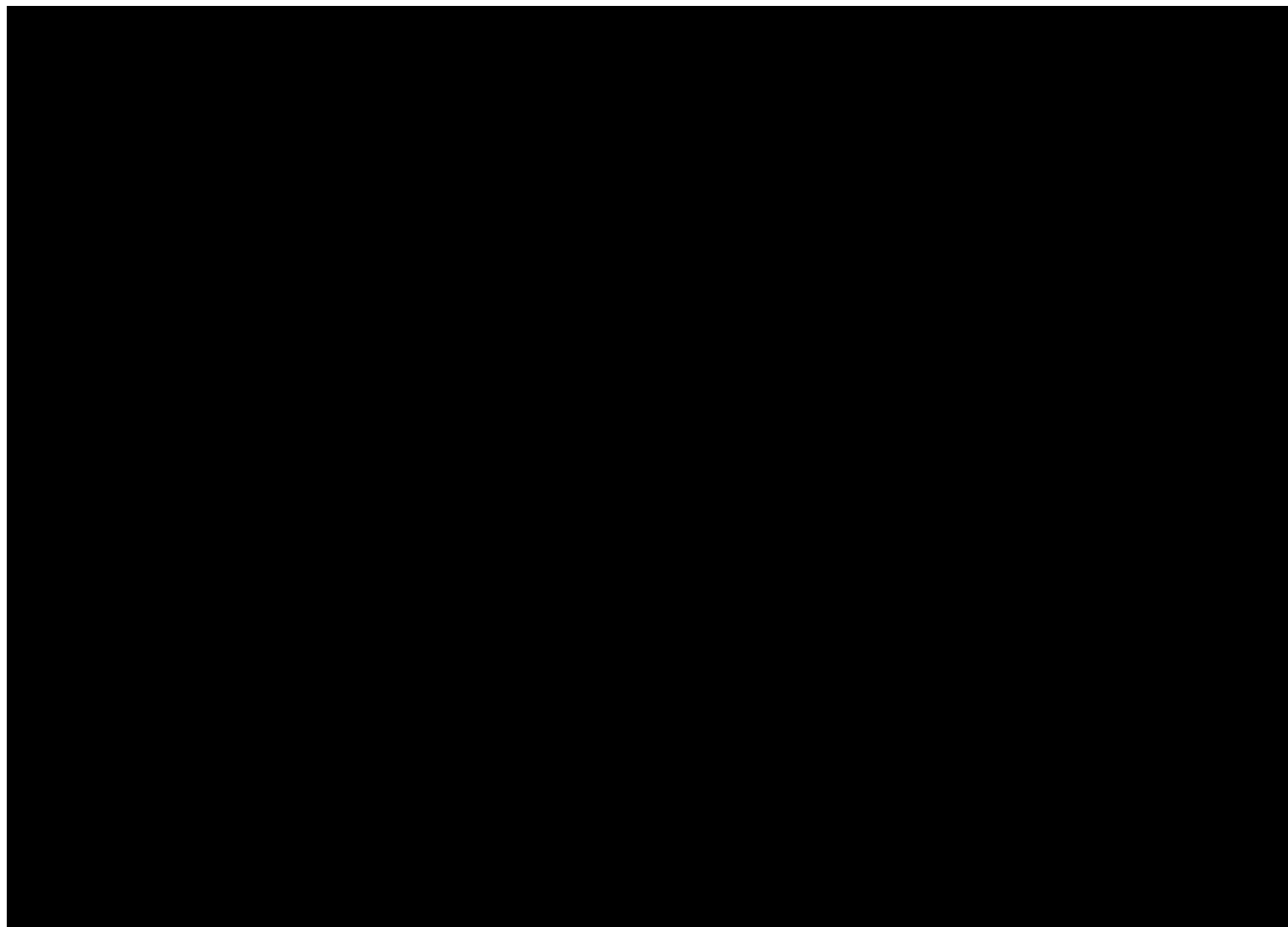


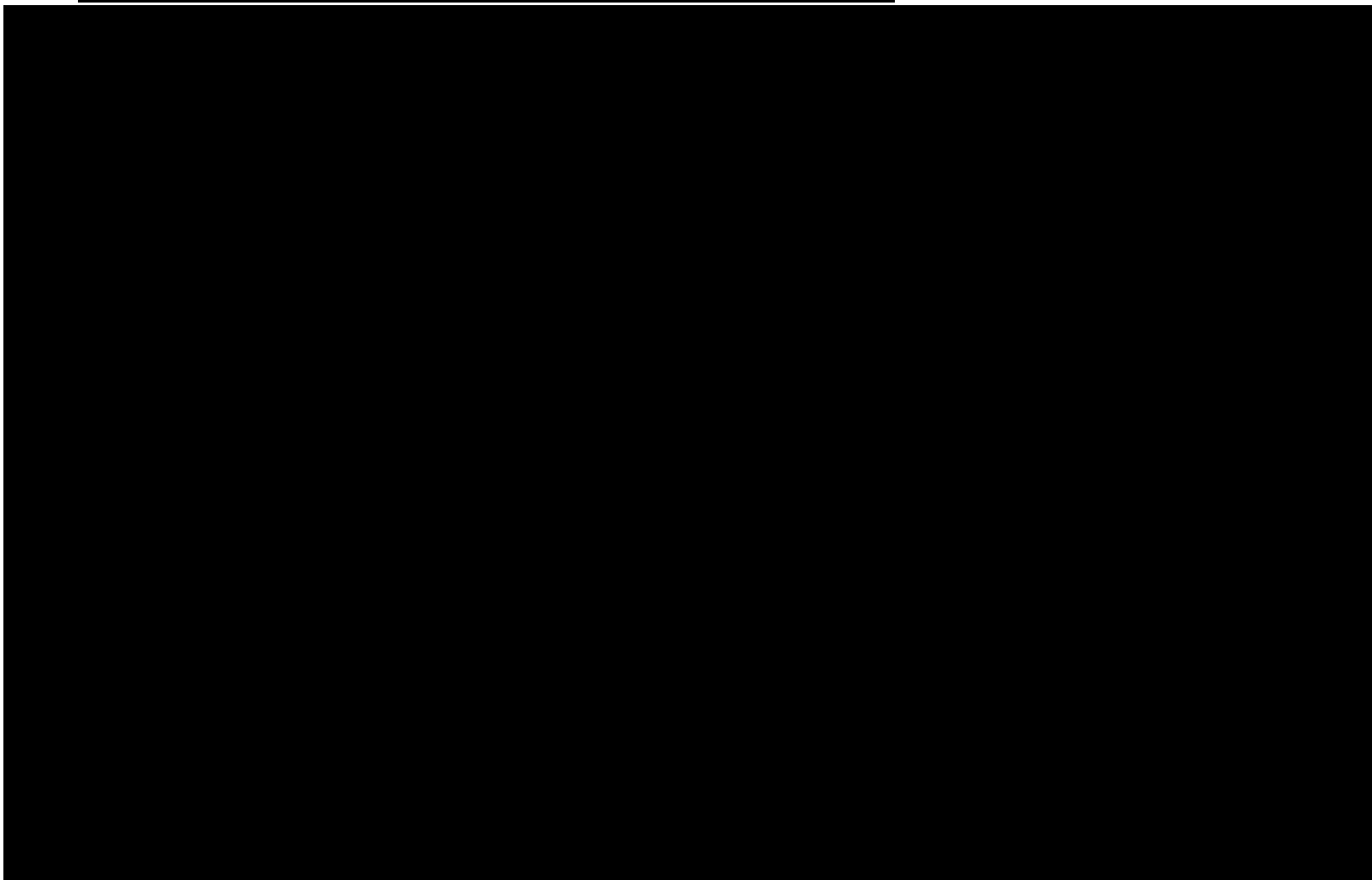
Exelon Advocacy Efforts

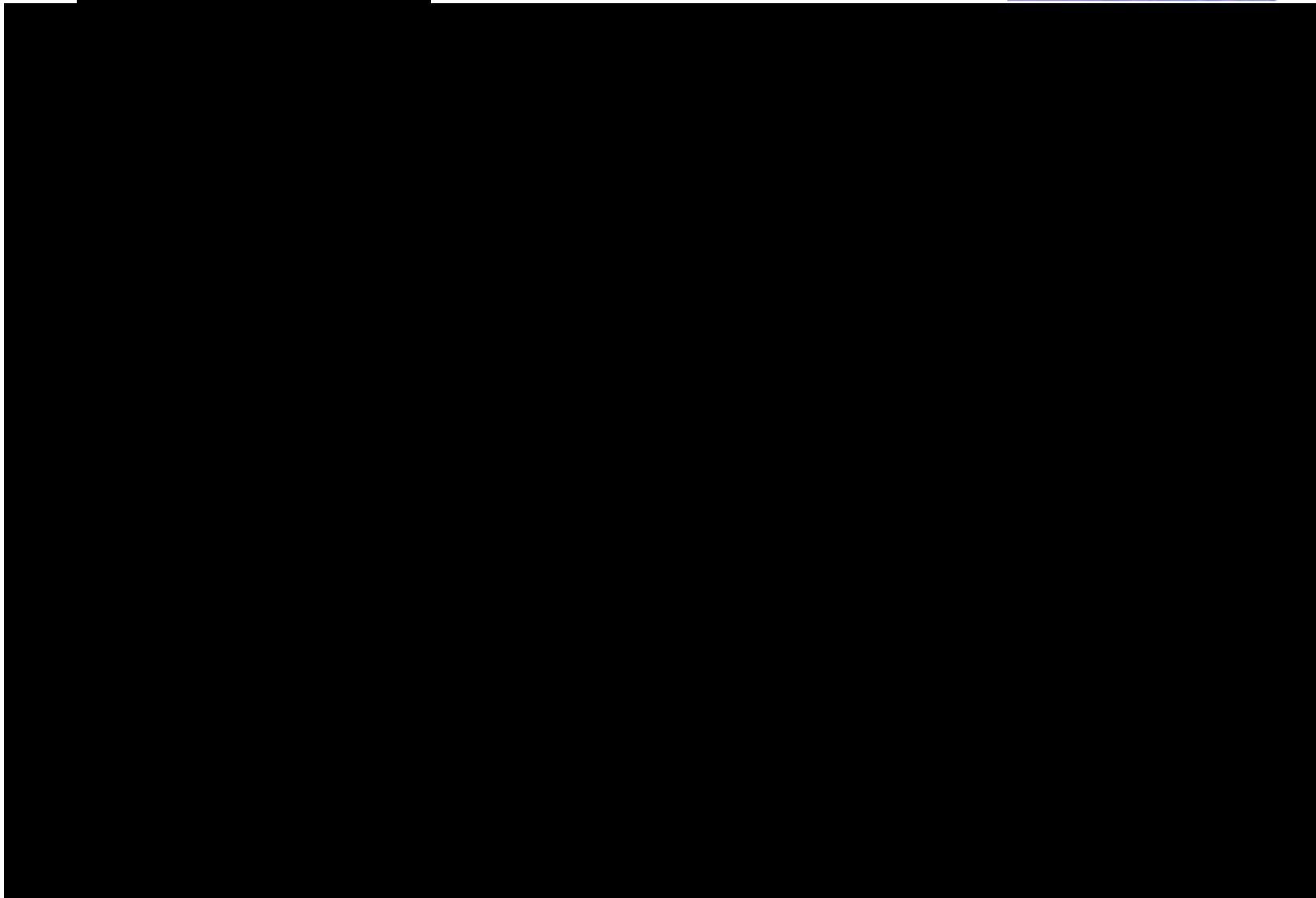
- **Washington Advocacy:** Exelon's lobbyists, and key executives, are meeting with key senators and staff to drive toward comprehensive legislation
- **Coalitions:** Working with United States Climate Action Partnership (USCAP), Edison Electric Institute, and Clean Energy Group to advance climate legislation
- **Grassroots:** Mobilizing our employees, retirees, and shareholders
- **Media:** Working with a diverse group of stakeholders on media opportunities in favor of climate legislation

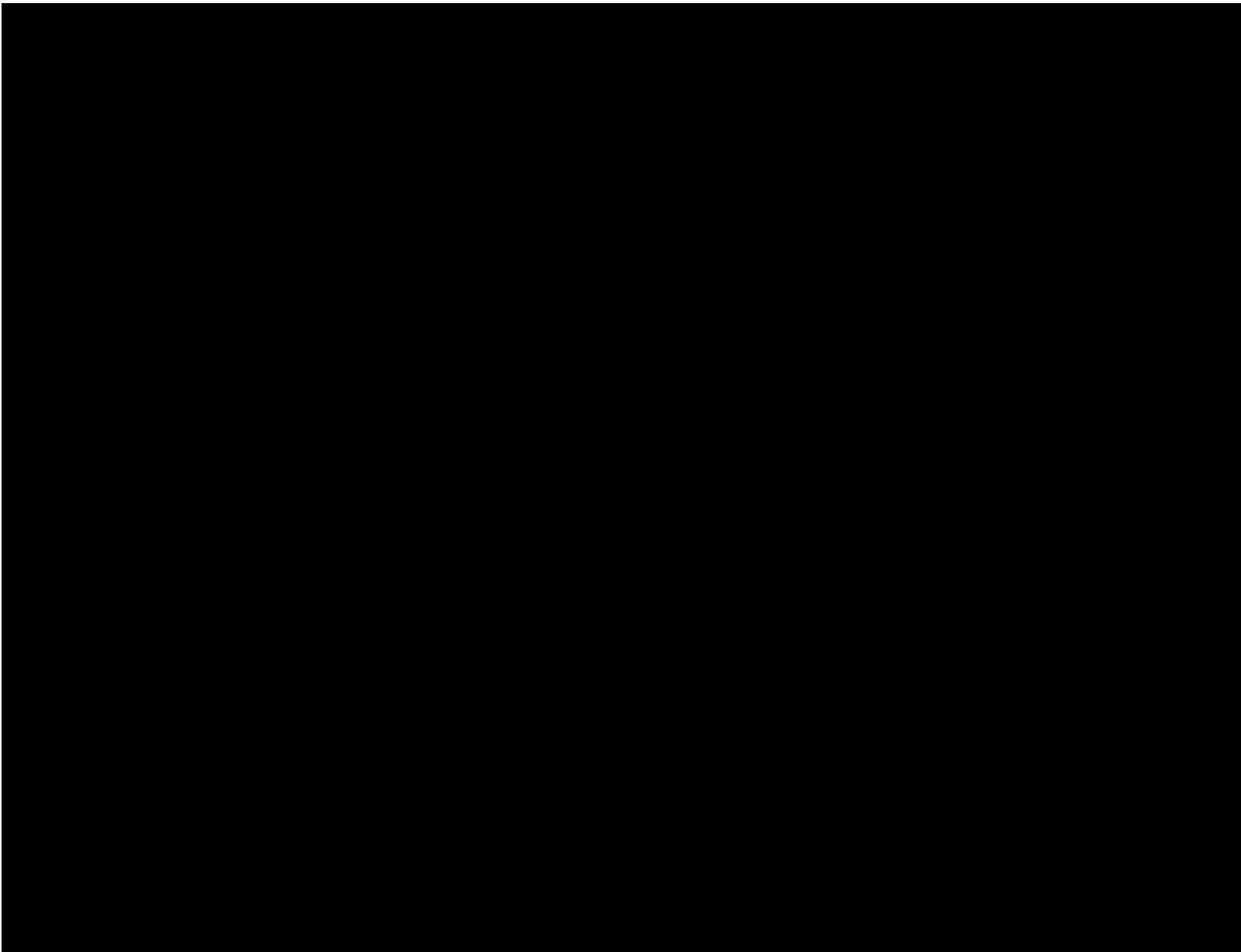
Exelon continues to lead in advancing climate change legislation

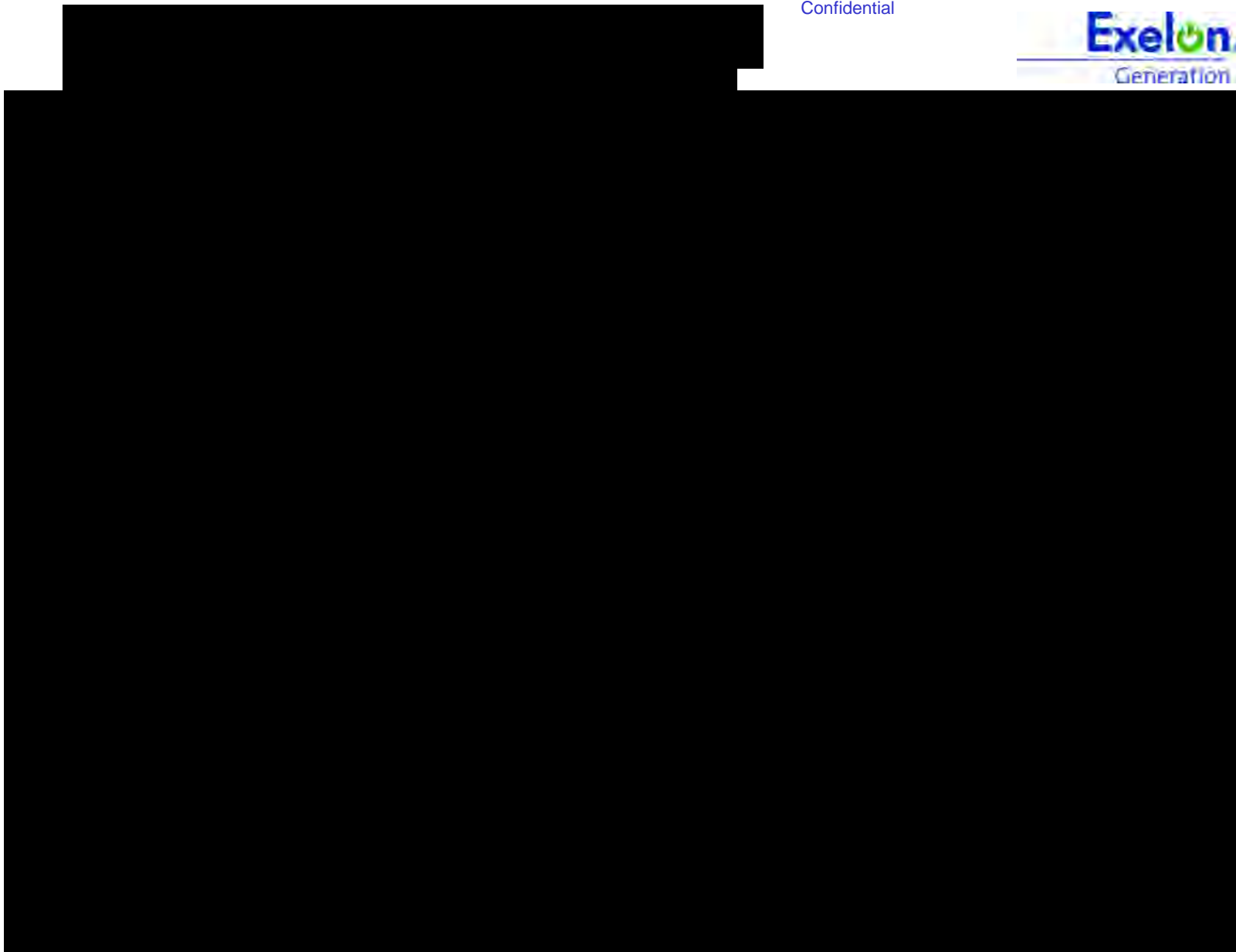
Portfolio and Market Update

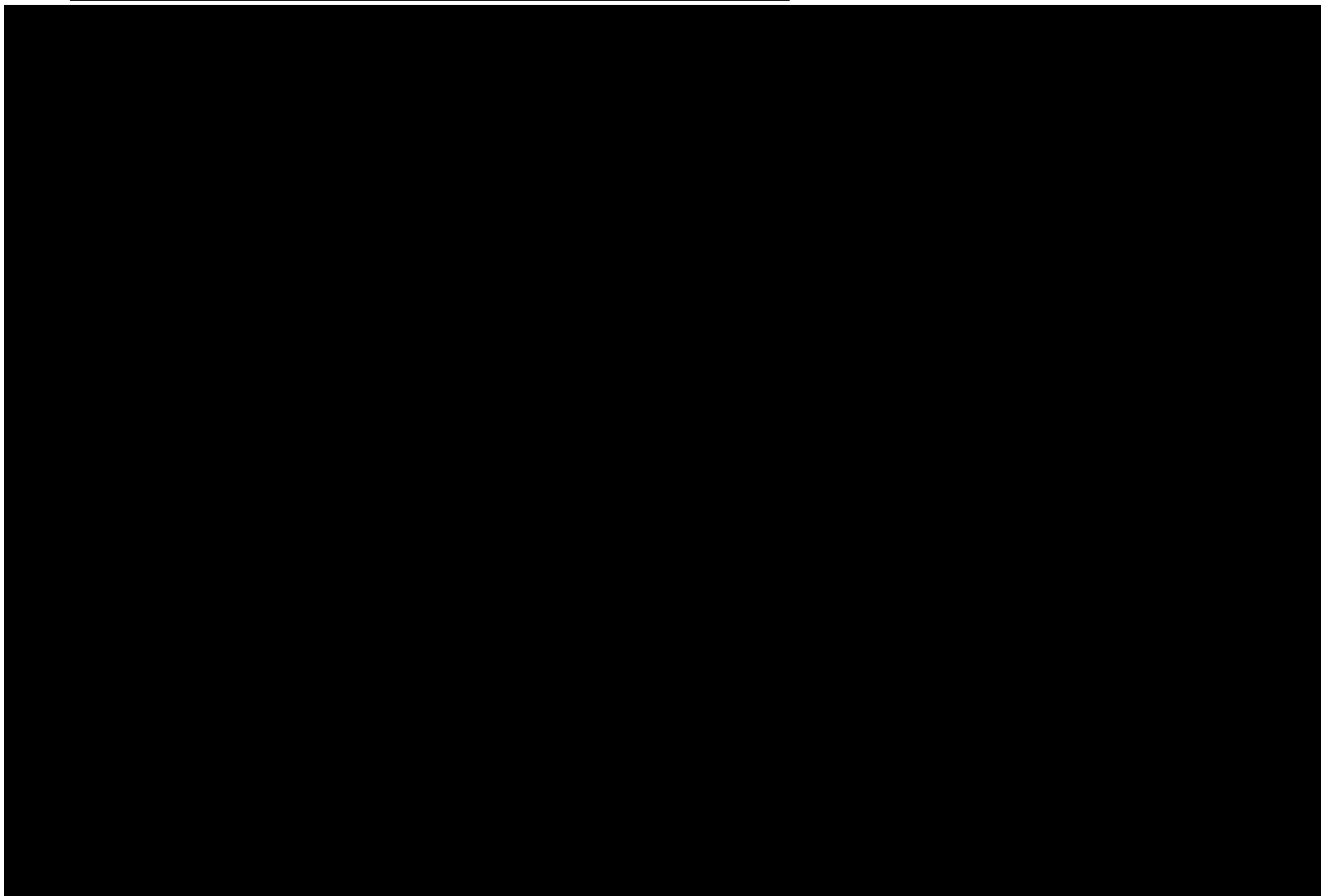


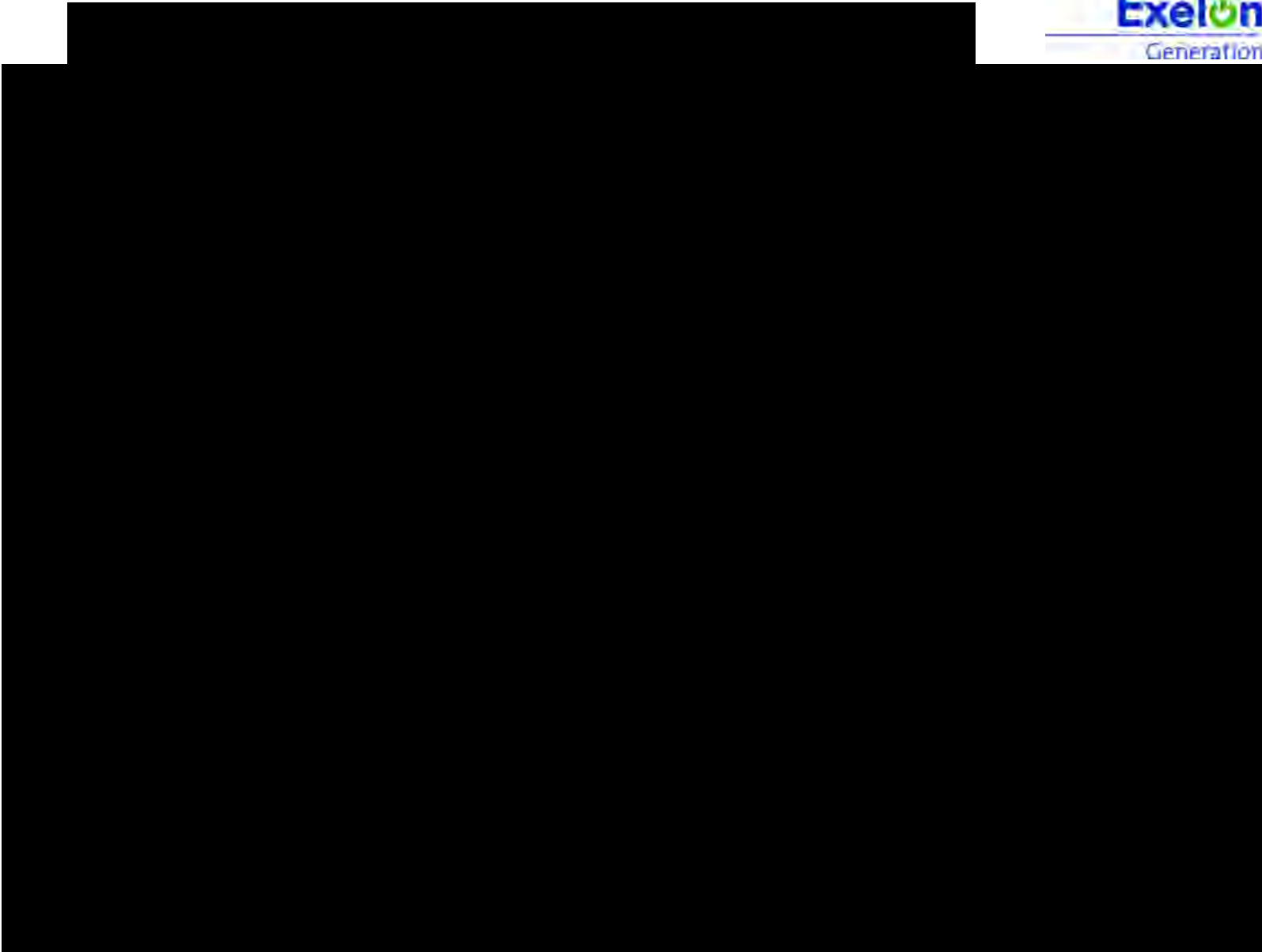


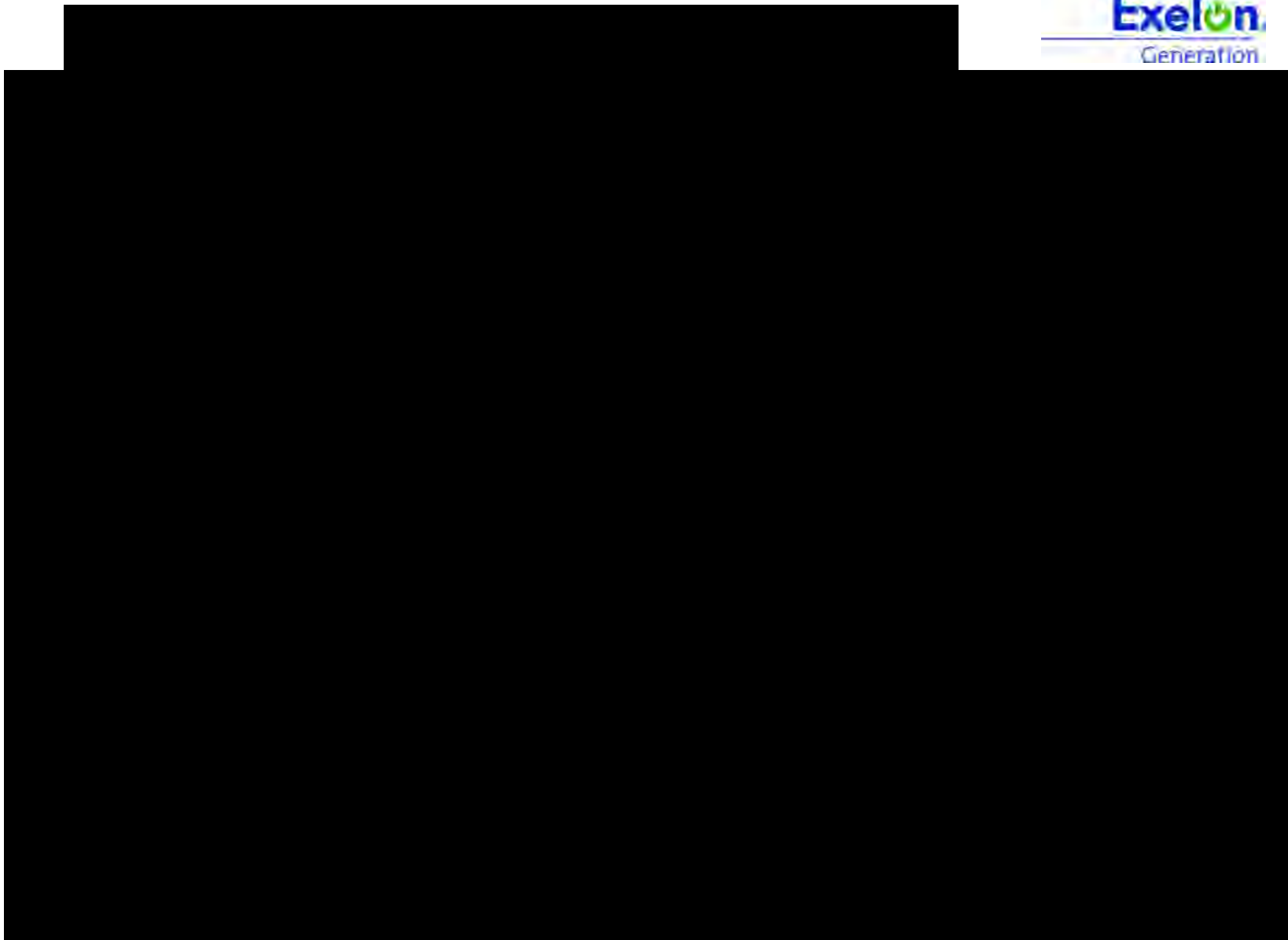


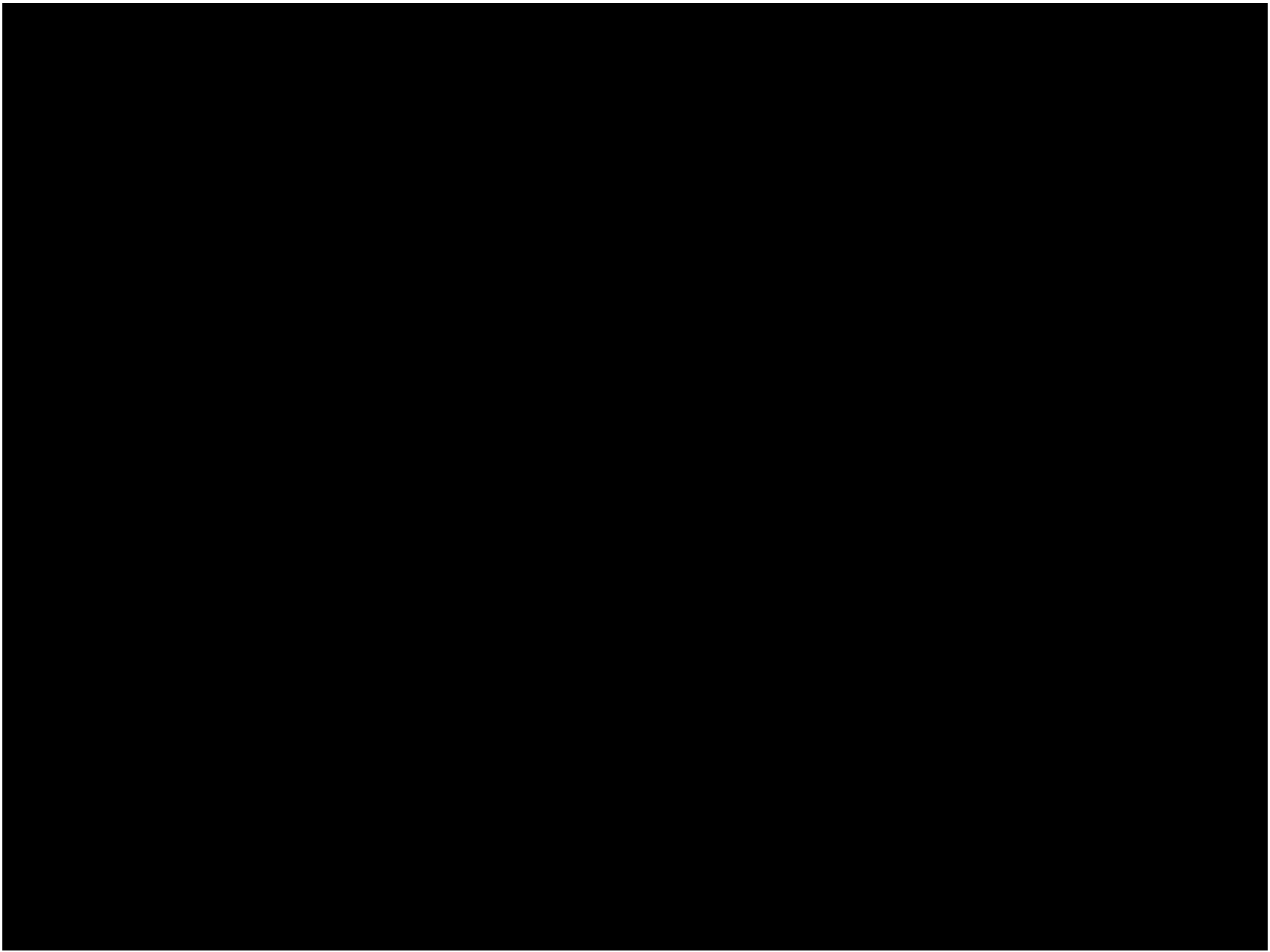


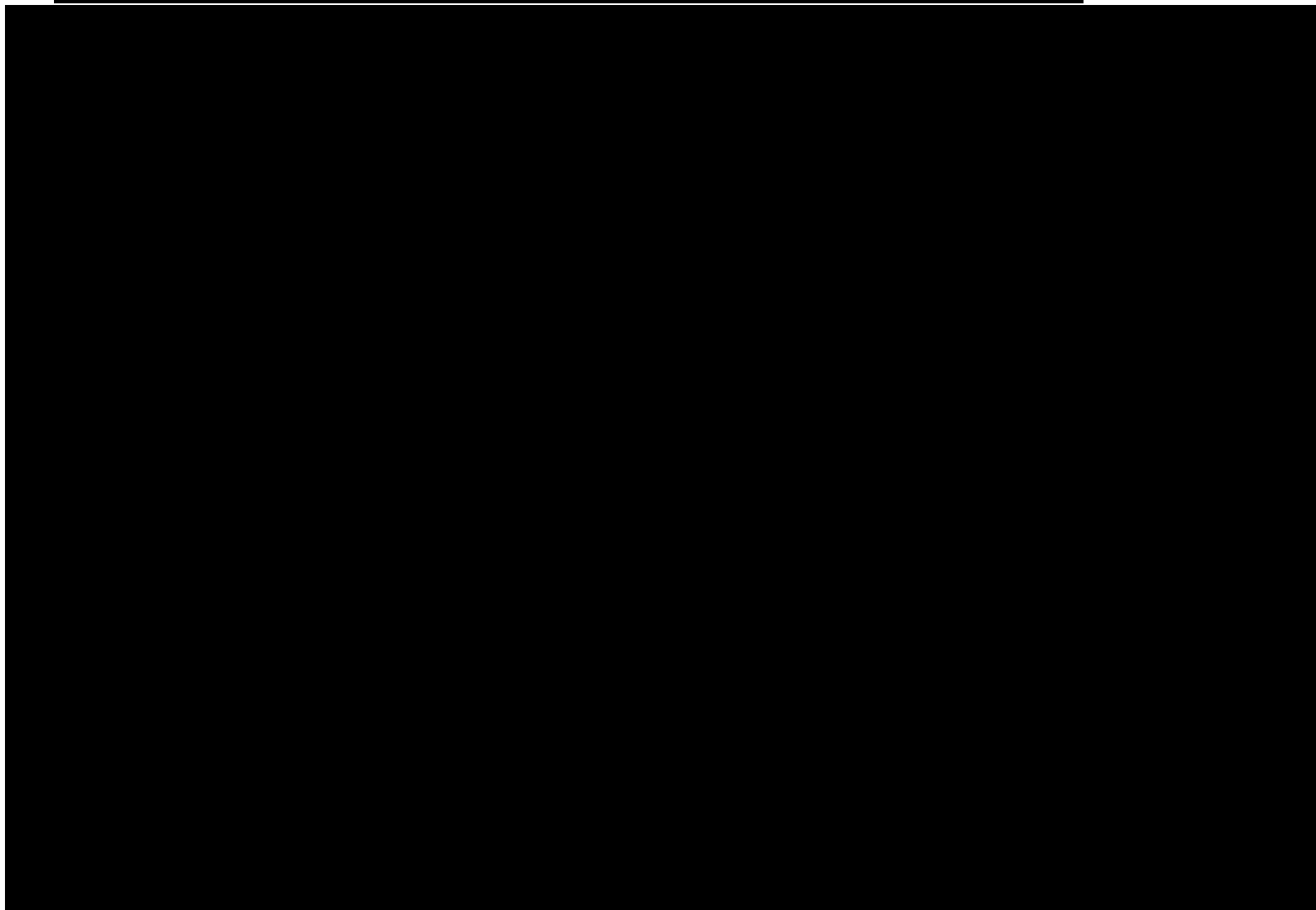












Confidential



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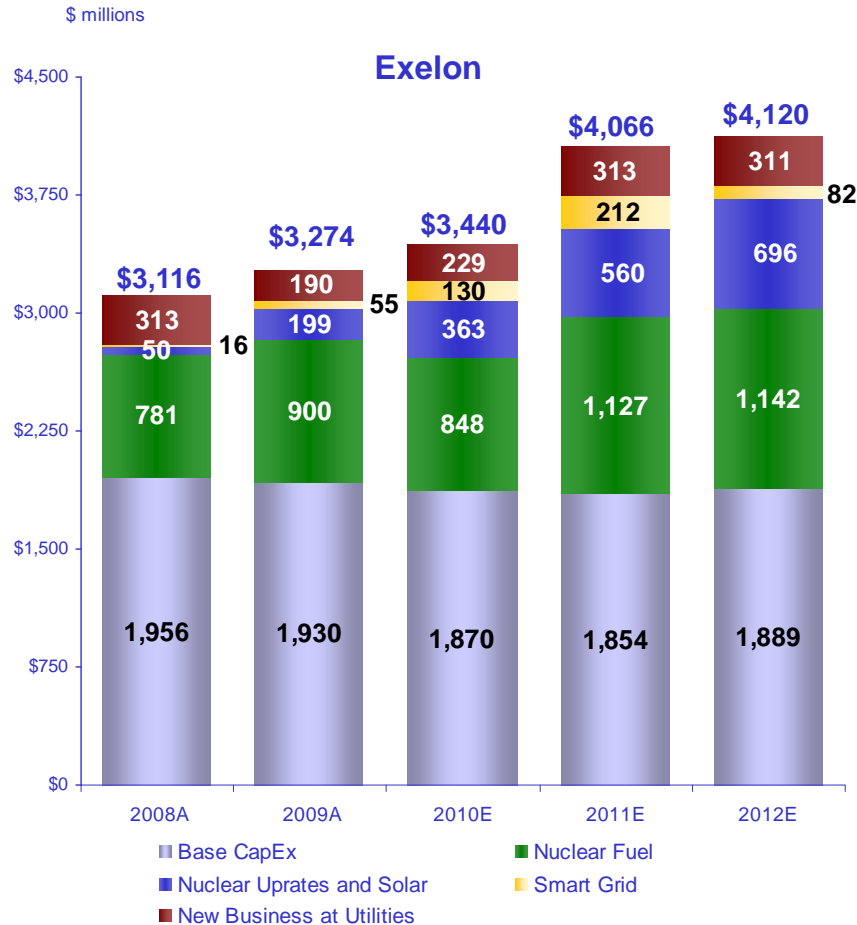
Financial Update







Capital Expenditures Expectations



	2008A	2009A	2010E	2011E	2012E
Exelon Generation					
Base CapEx	868	880	763	812	830
Nuclear Fuel	781	900	848	1,127	1,142
Nuclear Upgrades	50	148	346	560	696
Solar	-	51	17	-	-
Total ExGen	1,699	1,978	1,974	2,499	2,668
ComEd					
Base CapEx	684	659	680	642	638
Smart Grid/Meter	16	55	84	115	35
New Business	252	140	170	221	223
Total ComEd	952	854	934	978	896
PECO					
Base CapEx	331	338	395	378	399
Smart Grid/Meter	-	-	46	97	47
New Business	61	50	59	92	88
Total PECO	392	388	500	567	534
Corporate	73	54	32	22	22
Total Exelon	3,116	3,274	3,440	4,066	4,120

Data contained on this slide may not add due to rounding.

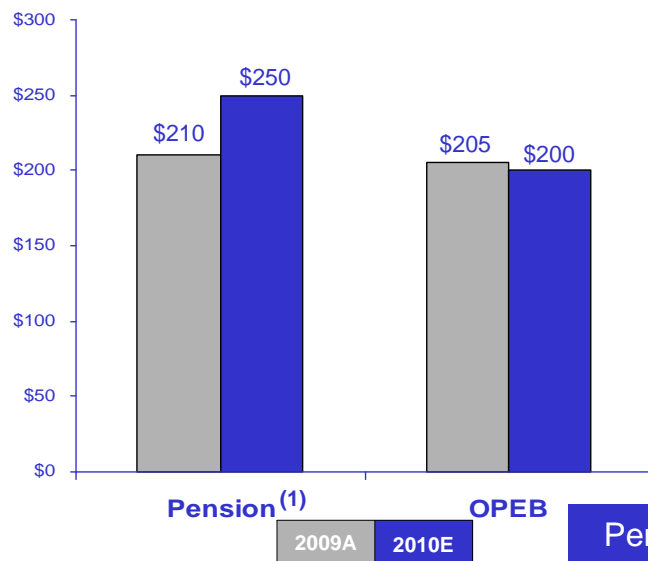
Actuals reflect cash capital expenditures, which excludes capital expenditures recorded in accounts payable.

Pension and OPEB Expense and Contributions

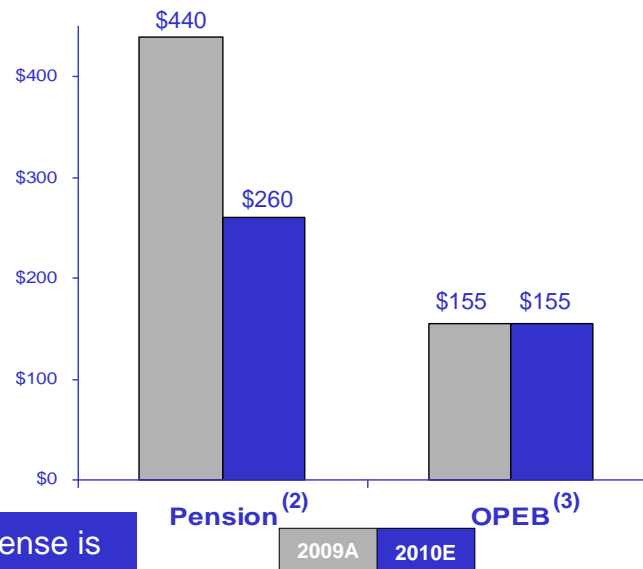
Pension and OPEB Plans Key Metrics – 12/31/09E (\$ in millions)

<u>Pension</u>		<u>OPEB</u>		<u>Key Metrics</u>	
Assets	\$7,840	Assets	\$1,475	2009 asset return	21%
Obligations	\$11,480	Obligations	\$3,660	12/31/09 discount rate	5.83%
				Assumed long-term EROA	8.50%

Pre-Tax Expense⁽⁴⁾

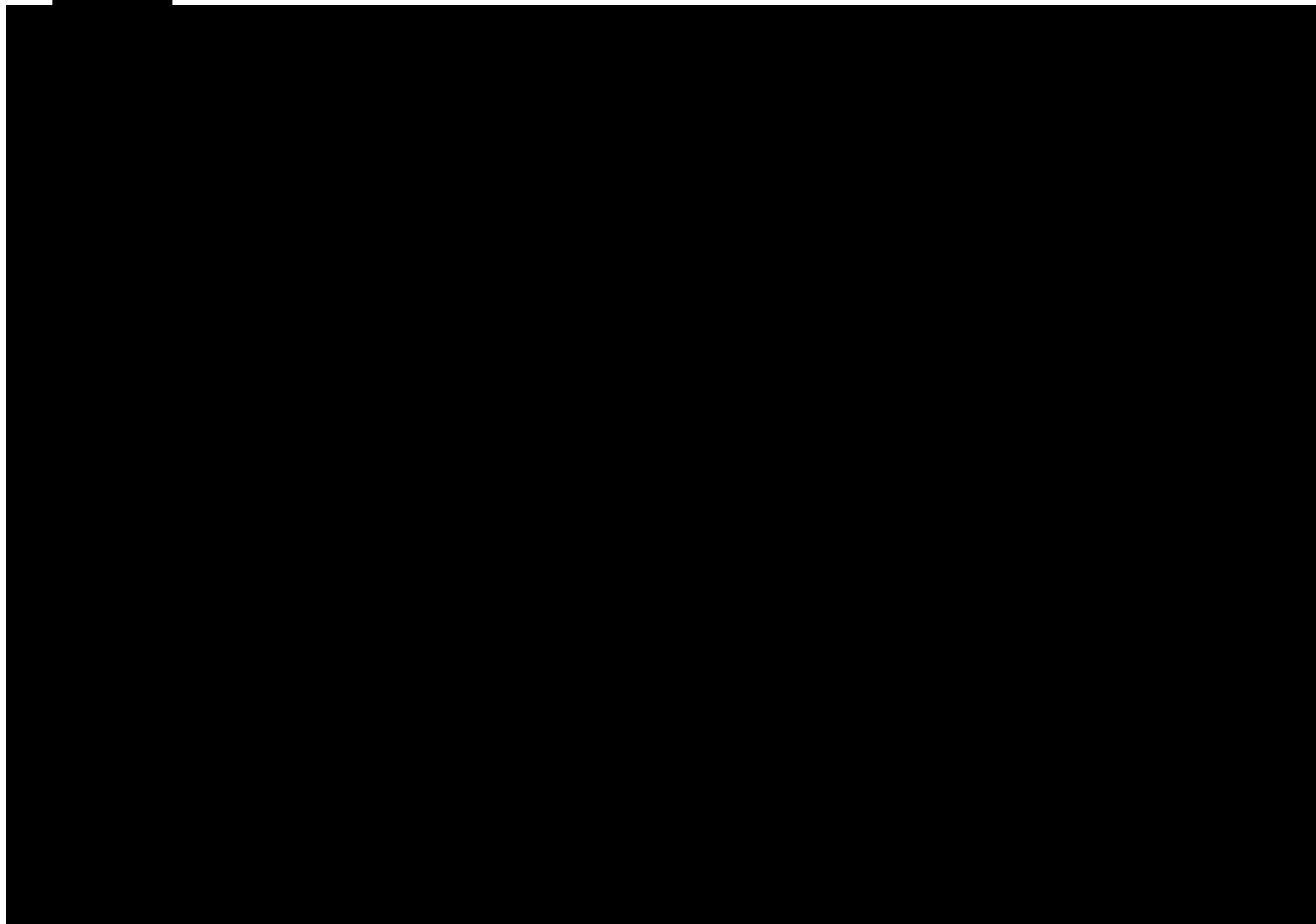


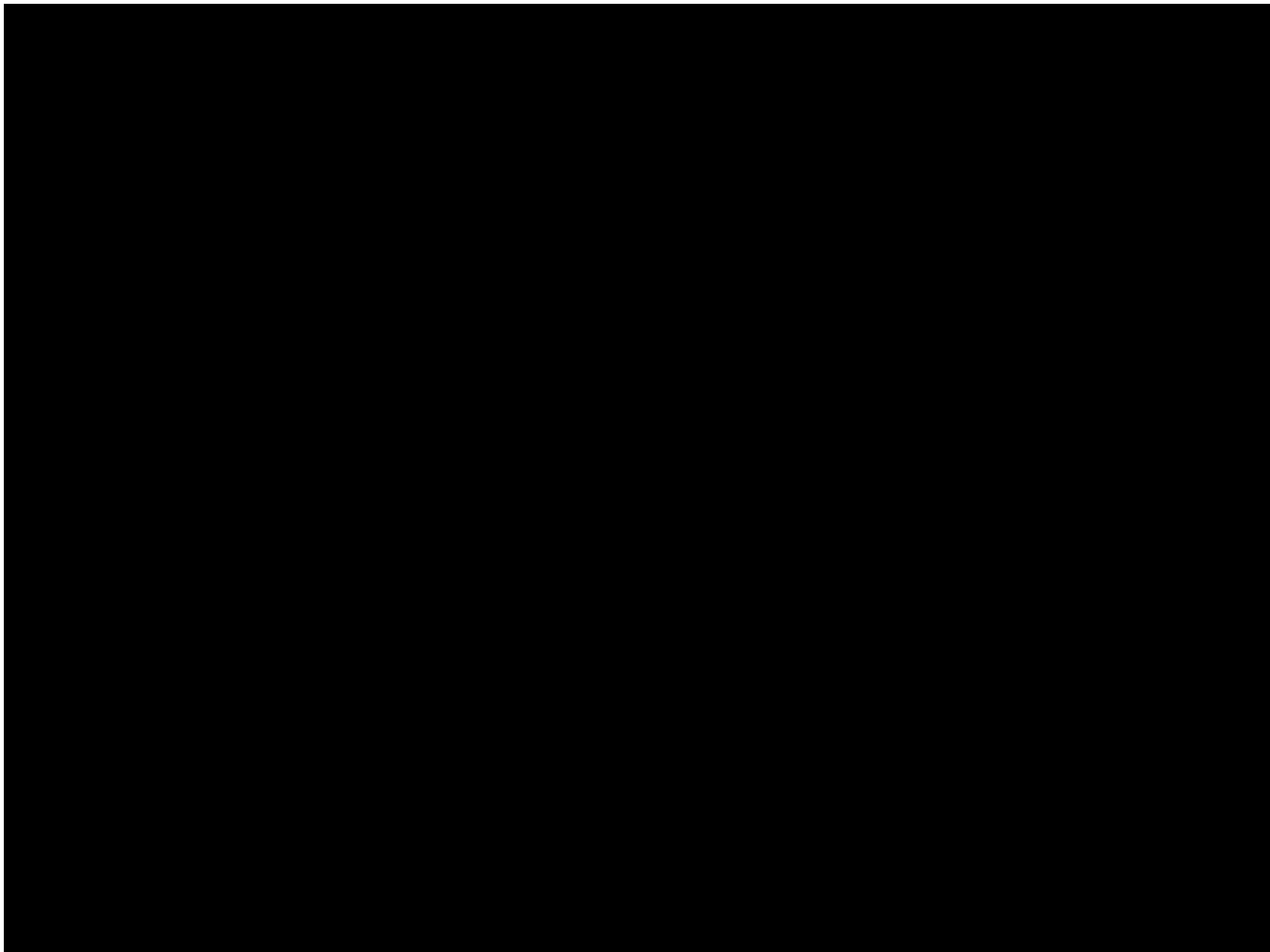
Cash Contributions

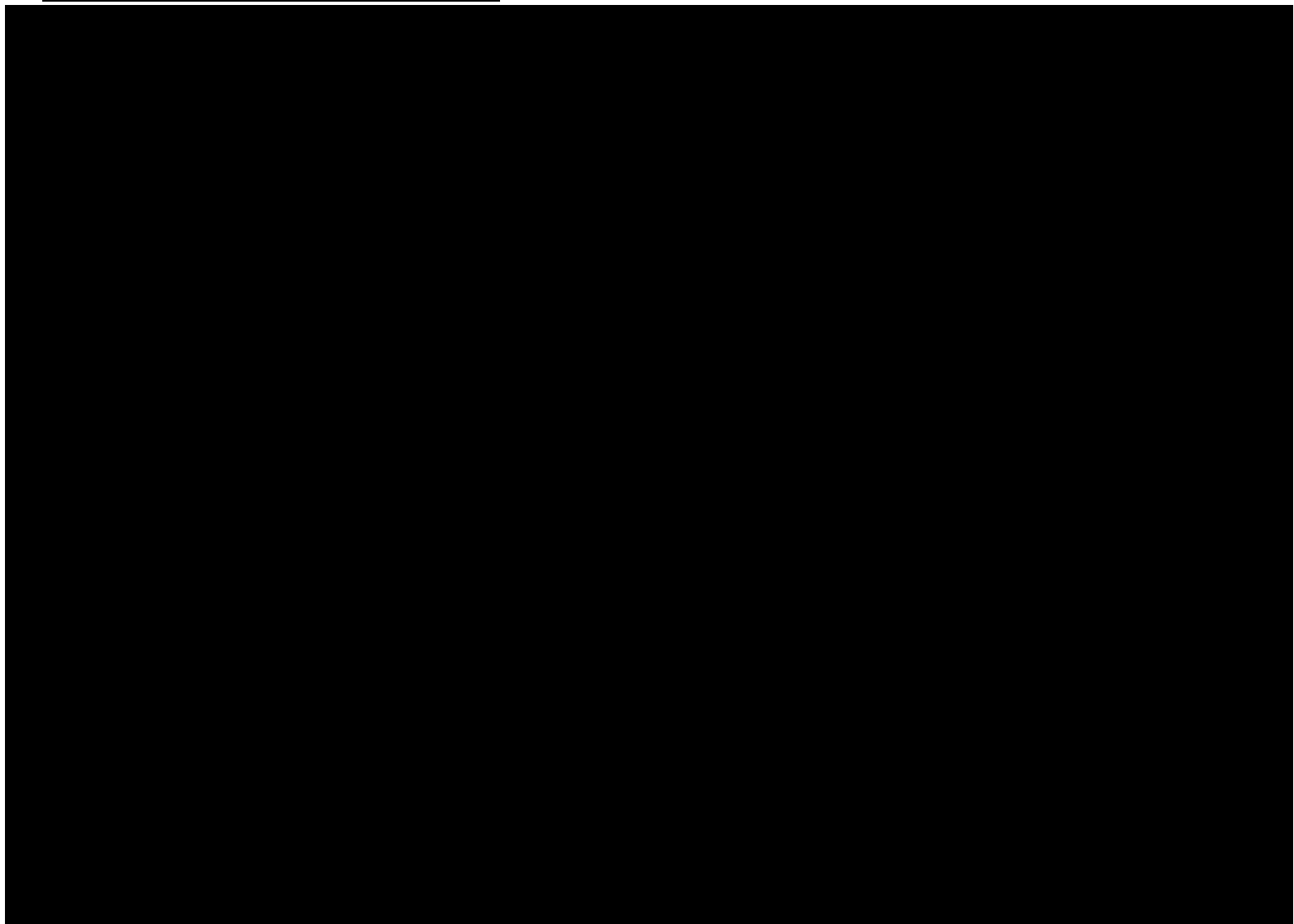


Pension and OPEB expense is increasing by \$35 million pre-tax

- (1) Includes settlement charges.
 (2) Contributions reflect the application of recently issued U.S. Treasury Department guidance and cover both the qualified and non-qualified plans. 2009 contributions include a \$350 million discretionary contribution. 2010 pension contributions are based on minimum regulatory requirements and additional amounts required to avoid benefit restrictions. Management may elect to make additional discretionary contributions.
 (3) Approximately \$100 million of the 2009/2010 OPEB contributions is discretionary. Management has not yet made a decision regarding its 2010 OPEB contributions. Contributions shown above include amounts paid out of corporate assets.
 (4) Assumes an ~20% overall capitalization rate for pension and OPEB costs.
 Note: OPEB = other postretirement benefits; EROA = expected return on assets. Data contained on this slide is rounded.







Committed to Investment Grade Ratings



Exelon believes that solid investment grade ratings are critical for managing and operating both regulated utilities and a commodity-based generation company

Commercial Business Opportunities

- Ability to participate in or to bid competitively for PPAs and long-term transactions
- Increased liquidity for energy trading: counterparties' costs would increase for non-investment grade transactions, thereby reducing market participation

Manageable Liquidity Requirements

- Lower collateral requirements for energy trading
- Ability to secure sizeable and sufficient bank credit facilities (currently \$7.3B)
- Use of guarantees (versus letters of credit) to fulfill NRC requirements for shortfalls in Nuclear Decommissioning Trust obligations

Efficient Capital Markets Access

- Reliable access to long-term debt markets to meet sizeable capital needs
- Lower cost and ability to extend maturity profile of debt (Generation's 2009 \$1.5B debt offering)
- Access to commercial paper market

Business and Financial Flexibility

- Avoid prepayments on long-term contracts (such as uranium), which reduce working capital requirements
- Avoid restrictive bond covenants and secured financing transactions
- Limits regulatory friction

Our investment grade rating increases the pool of lenders, provides access to a broad range of trading counterparties, and enhances our strategic options

Appendix

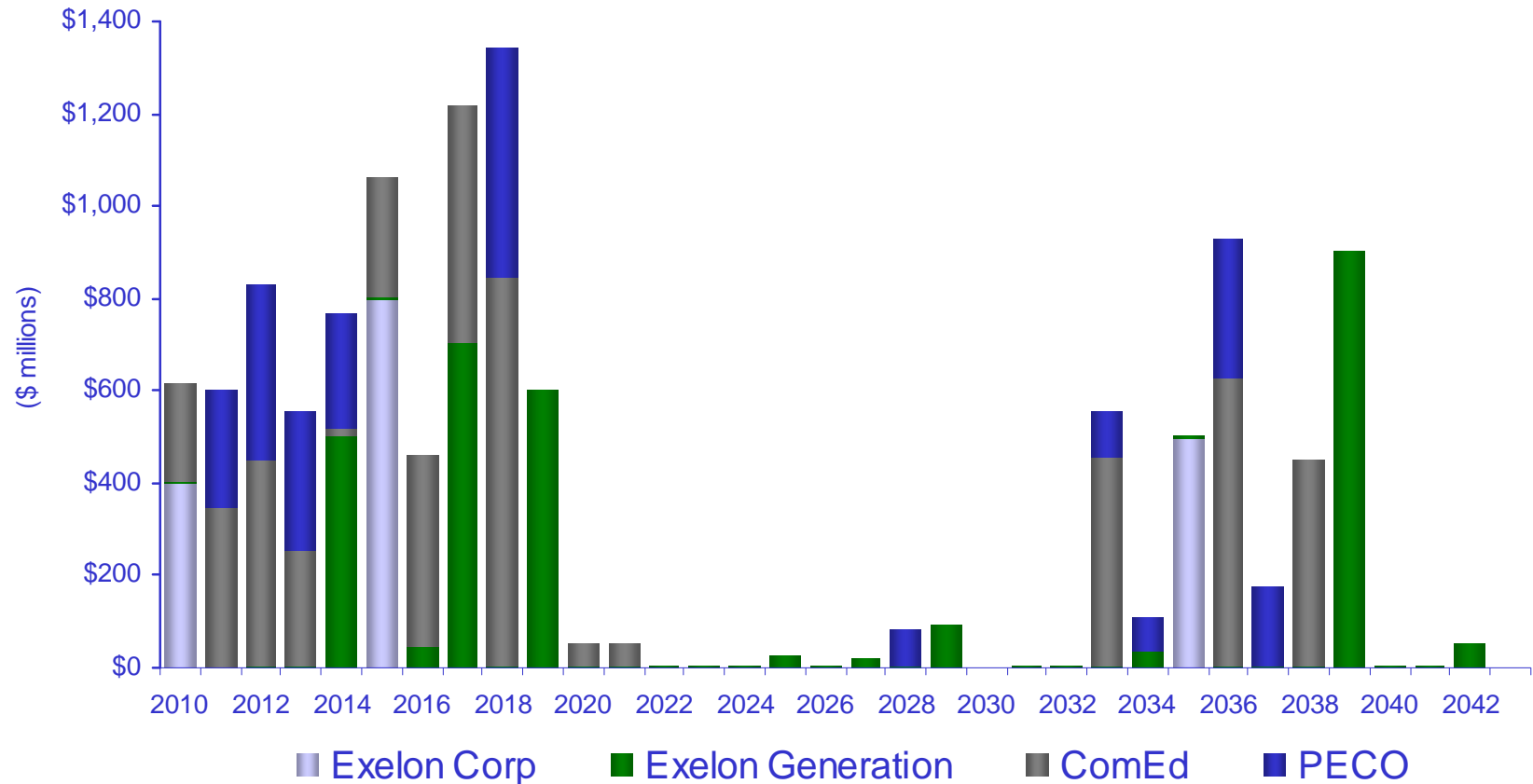
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Debt Maturity Profile



Refinancing in 3Q 2009 of Exelon Generation and Exelon 2011 maturities decreased average cost of debt, extended average maturities and reduced refinancing risk

Note: Balances shown exclude securitized debt and includes capital leases.



Exelon Generation Hedging Disclosures



Important Information

The following slides are intended to provide additional information regarding the hedging program at Exelon Generation and to serve as an aid for the purposes of modeling Exelon Generation's gross margin (operating revenues less purchased power and fuel expense). The information on the following slides is not intended to represent earnings guidance or a forecast of future events. In fact, many of the factors that ultimately will determine Exelon Generation's actual gross margin are based upon highly variable market factors outside of our control. The information on the following slides is as of December 31, 2009. Going forward, we plan to update the information on a quarterly basis.

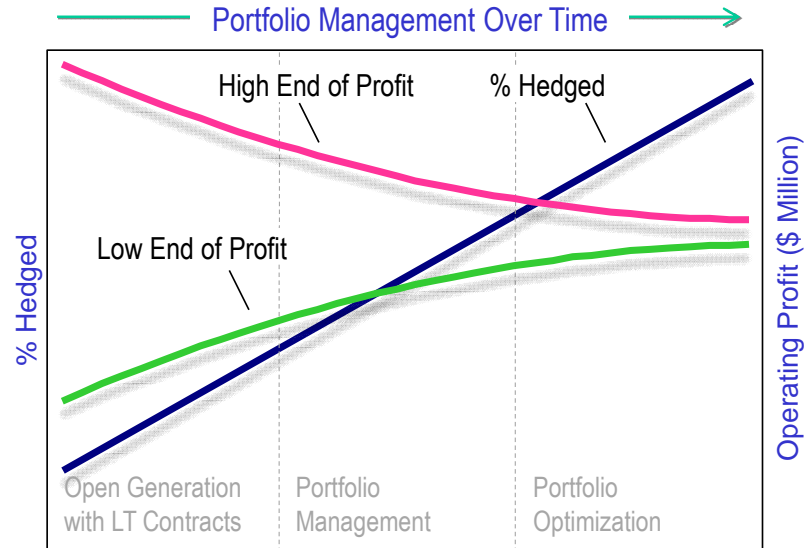
Certain information on the following slides is based upon an internal simulation model that incorporates assumptions regarding future market conditions, including power and commodity prices, heat rates, and demand conditions, in addition to operating performance and dispatch characteristics of our generating fleet. Our simulation model and the assumptions therein are subject to change. For example, actual market conditions and the dispatch profile of our generation fleet in future periods will likely differ – and may differ significantly – from the assumptions underlying the simulation results included in the slides. In addition, the forward-looking information included in the following slides will likely change over time due to continued refinement of our simulation model and changes in our views on future market conditions.

Portfolio Management Objective

Align Hedging Activities with Financial Commitments



- **Exelon's hedging program is designed to protect the long-term value of our generating fleet and maintain an investment-grade balance sheet**
 - Hedge enough commodity risk to meet future cash requirements if prices drop
 - Consider: financing policy (credit rating objectives, capital structure, liquidity); spending (capital and O&M); shareholder value return policy
- **Consider market, credit, operational risk**
- **Approach to managing volatility**
 - Increase hedging as delivery approaches
 - Have enough supply to meet peak load
 - Purchase fossil fuels as power is sold
 - Choose hedging products based on generation portfolio – sell what we own



- **Power Team utilizes several product types and channels to market**
 - Wholesale and retail sales
 - Block products
 - Load-following products and load auctions
 - Put/call options
 - Heat rate options
 - Fuel products
 - Capacity
 - Renewable credits

Exelon Generation Hedging Program



- **Our normal practice is to hedge commodity risk on a ratable basis over the three years leading to the spot market**
 - Carry operational length into spot market to manage forced outage and load-following risks
 - By using the appropriate product mix, expected generation hedged approaches the mid-90s percentile as the delivery period approaches
 - Participation in larger procurement events, such as utility auctions, and some flexibility in the timing of hedging may mean the hedge program is not strictly ratable from quarter to quarter

**Percentage of Expected
Generation Hedged**

= $\frac{\text{Equivalent MWs Sold}}{\text{Expected Generation}}$

- How many equivalent MW have been hedged at forward market prices; all hedge products used are converted to an equivalent average MW volume
- Takes ALL hedges into account whether they are power sales or financial products

Exelon Generation Open Gross Margin and Reference Prices



	2010	2011	2012
Estimated Open Gross Margin (\$ millions) ^(1,2)	\$5,900	\$5,800	\$5,750

Open gross margin assumes all expected generation is sold at the Reference Prices listed below

Reference Prices ⁽¹⁾

Henry Hub Natural Gas (\$/MMBtu)	\$5.79	\$6.33	\$6.53
NI-Hub ATC Energy Price (\$/MWh)	\$33.83	\$34.75	\$36.13
PJM-W ATC Energy Price (\$/MWh)	\$48.04	\$49.42	\$50.43
ERCOT North ATC Spark Spread (\$/MWh) ⁽³⁾	\$(0.53)	\$(0.44)	\$0.89

(1) Based on December 31, 2009 market conditions.

(2) Gross margin is defined as operating revenues less fuel expense and purchased power expense, excluding the impact of decommissioning and other incidental revenues. Open gross margin is estimated based upon an internal model that is developed by dispatching our expected generation to current market power and fossil fuel prices. Open gross margin assumes there is no hedging in place other than fixed assumptions for capacity cleared in the RPM auctions and uranium costs for nuclear power plants. Open gross margin contains assumptions for other gross margin line items such as various ISO bill and ancillary revenues and costs and PPA capacity revenues and payments. The estimation of open gross margin incorporates management discretion and modeling assumptions that are subject to change.

(3) ERCOT North ATC spark spread using Houston Ship Channel Gas, 7,200 heat rate, \$2.50 variable O&M.

Generation Profile



	2010	2011	2012
Expected Generation (GWh) ⁽¹⁾	167,100	163,000	162,600
Midwest	99,000	98,400	97,400
Mid-Atlantic	59,600	57,200	56,600
South	8,500	7,400	8,600
Percentage of Expected Generation Hedged ⁽²⁾	91-94%	69-72%	37-40%
Midwest	89-92	71-74	43-46
Mid-Atlantic	93-96	65-68	25-28
South	97-100	66-69	39-42
Effective Realized Energy Price (\$/MWh) ⁽³⁾			
Midwest	\$46.50	\$45.00	\$46.00
Mid-Atlantic	\$35.50	\$60.00	\$53.50
ERCOT North ATC Spark Spread	\$(1.00)	\$(0.50)	\$(7.00)

- (1) Expected generation represents the amount of energy estimated to be generated or purchased through owned or contracted for capacity. Expected generation is based upon a simulated dispatch model that makes assumptions regarding future market conditions, which are calibrated to market quotes for power, fuel, load following products, and options. Expected generation assumes 10 refueling outages in 2010 and 11 refueling outages in 2011 and 2012 at Exelon-operated nuclear plants and Salem. Expected generation assumes capacity factors of 93.5%, 92.8% and 92.8% in 2010, 2011 and 2012 at Exelon-operated nuclear plants. These estimates of expected generation in 2011 and 2012 do not represent guidance or a forecast of future results as Exelon has not completed its planning or optimization processes for those years.
- (2) Percent of expected generation hedged is the amount of equivalent sales divided by the expected generation. Includes all hedging products, such as wholesale and retail sales of power, options, and swaps. Uses expected value on options. Reflects decision to permanently retire Cromby Station and Eddystone Units 1&2 as of May 31, 2011, pending PJM approval.
- (3) Effective realized energy price is representative of an all-in hedged price, on a per MWh basis, at which expected generation has been hedged. It is developed by considering the energy revenues and costs associated with our hedges and by considering the fossil fuel that has been purchased to lock in margin. It excludes uranium costs and RPM capacity revenue, but includes the mark-to-market value of capacity contracted at prices other than RPM clearing prices including our load obligations. It can be compared with the reference prices used to calculate open gross margin in order to determine the mark-to-market value of Exelon Generation's energy hedges.

Exelon Generation Gross Margin Sensitivities

(with Existing Hedges)

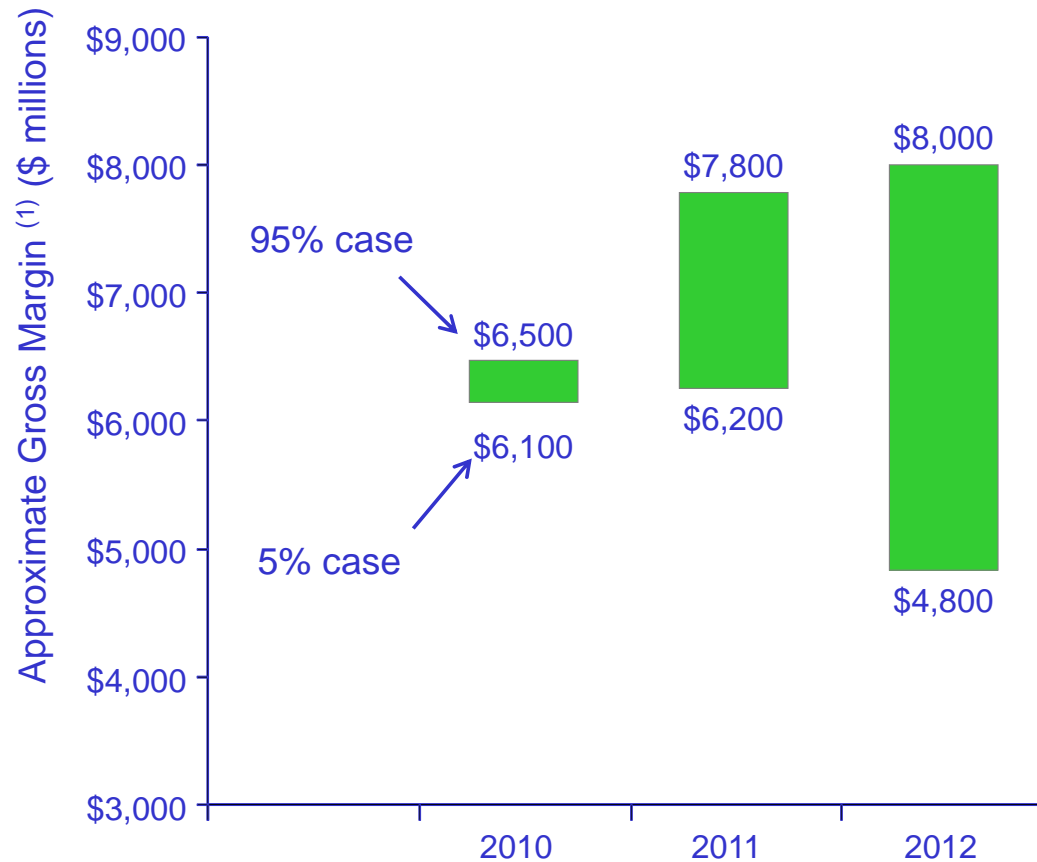


	2010	2011	2012
Gross Margin Sensitivities with Existing Hedges (\$ millions)⁽¹⁾			
Henry Hub Natural Gas			
+ \$1/MMBtu	\$40	\$190	\$395
- \$1/MMBtu	\$(40)	\$(160)	\$(395)
NI-Hub ATC Energy Price			
+\$5/MWH	\$30	\$165	\$275
-\$5/MWH	\$(25)	\$(155)	\$(270)
PJM-W ATC Energy Price			
+\$5/MWH	\$20	\$135	\$230
-\$5/MWH	\$(15)	\$(130)	\$(230)
Nuclear Capacity Factor			
+1% / -1%	+/- \$50	+/- \$50	+/- \$50

(1) Based on December 31, 2009 market conditions and hedged position. Gas price sensitivities are based on an assumed gas-power relationship derived from an internal model that is updated periodically. Power prices sensitivities are derived by adjusting the power price assumption while keeping all other prices 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.

Exelon Generation Gross Margin Upside / Risk

(with Existing Hedges)

(1) Represents an approximate range of expected gross margin, taking into account hedges in place, between the 5th and 95th percent confidence levels assuming all unhedged supply is sold into the spot market. Approximate gross margin ranges are based upon an internal simulation model and are subject to change based upon market inputs, future transactions and potential modeling changes. These ranges of approximate gross margin in 2011 and 2012 do not represent earnings guidance or a forecast of future results as Exelon has not completed its planning or optimization processes for those years. The price distributions that generate this range are calibrated to market quotes for power, fuel, load following products, and options as of December 31, 2009.



Illustrative Example

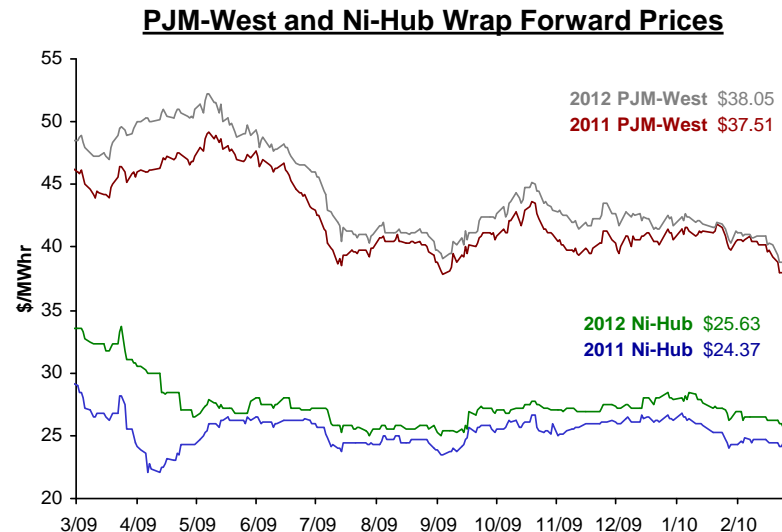
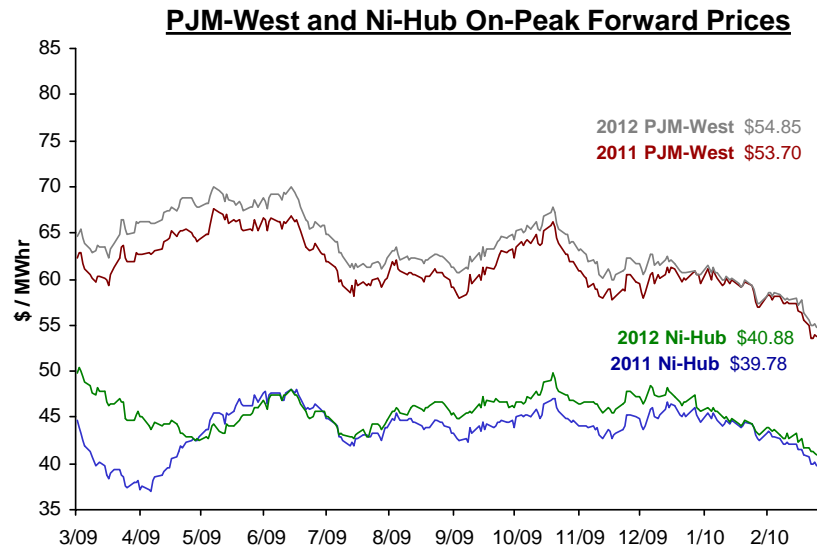
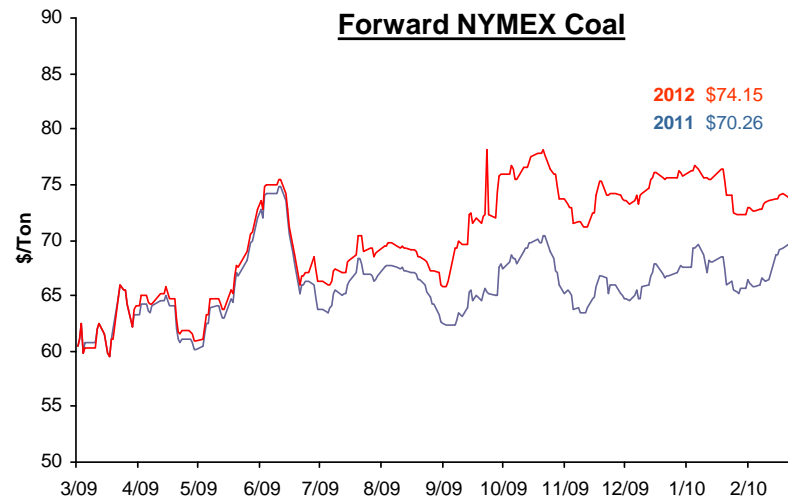
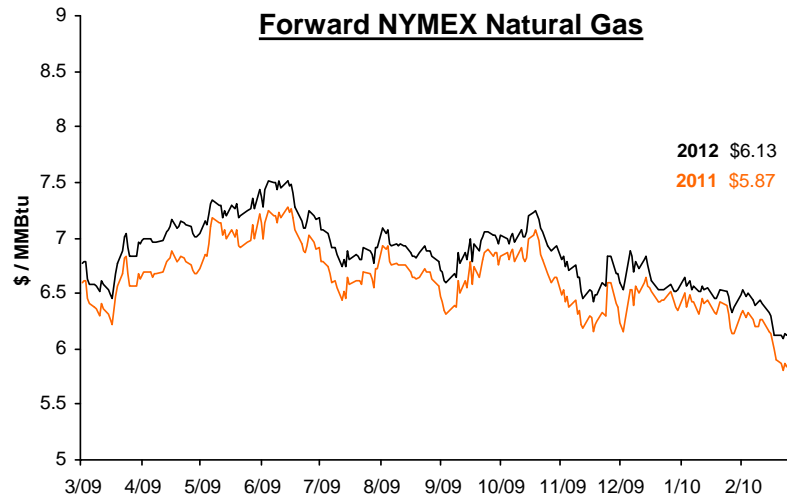
of Modeling Exelon Generation 2010 Gross Margin (with Existing Hedges)

	Midwest	Mid-Atlantic	ERCOT
Step 1 Start with fleetwide open gross margin	<div> <div></div> <div>\$5.90 billion</div> <div></div> </div>		
Step 2 Determine the mark-to-market value of energy hedges	99,000GWh * 90% * (\$46.50/MWh-\$33.83/MWh) = \$1.13 billion	59,600GWh * 94% * (\$35.50/MWh-\$48.04/MWh) = \$(0.70 billion)	8,500GWh * 98% * (\$1.00/MWh-\$0.53/MWh) = \$0.00 billion
Step 3 Estimate hedged gross margin by adding open gross margin to mark-to-market value of energy hedges	Open gross margin: MTM value of energy hedges: Estimated hedged gross margin:	\$5.90 billion <u>\$1.13 billion + \$(0.70 billion) + \$0.00 billion</u> \$6.33 billion	

Market Price Snapshot



Rolling 12 months, as of February 26, 2010. Source: OTC quotes and electronic trading system. Quotes are daily.

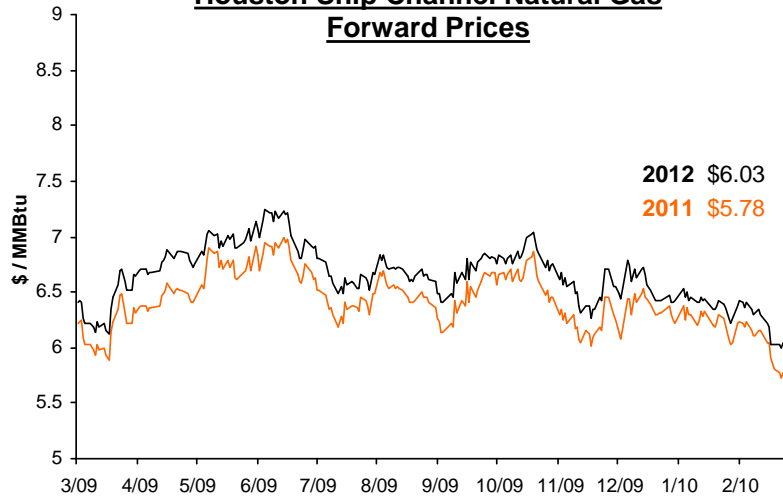


Market Price Snapshot

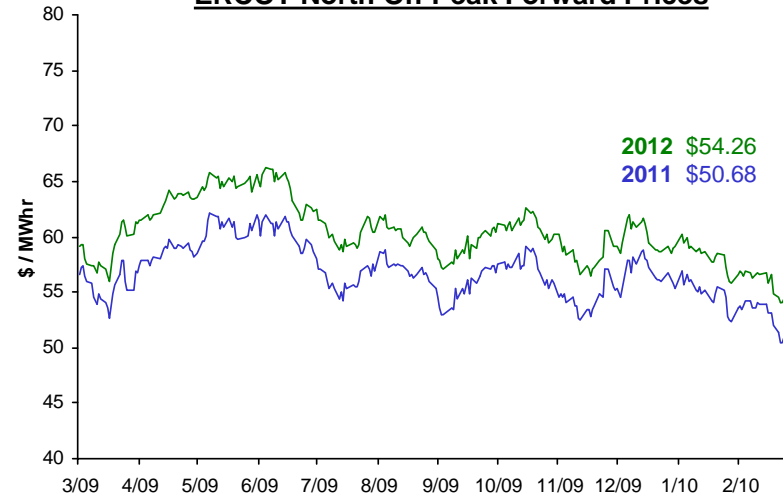


Rolling 12 months, as of February 26, 2010. Source: OTC quotes and electronic trading system. Quotes are daily.

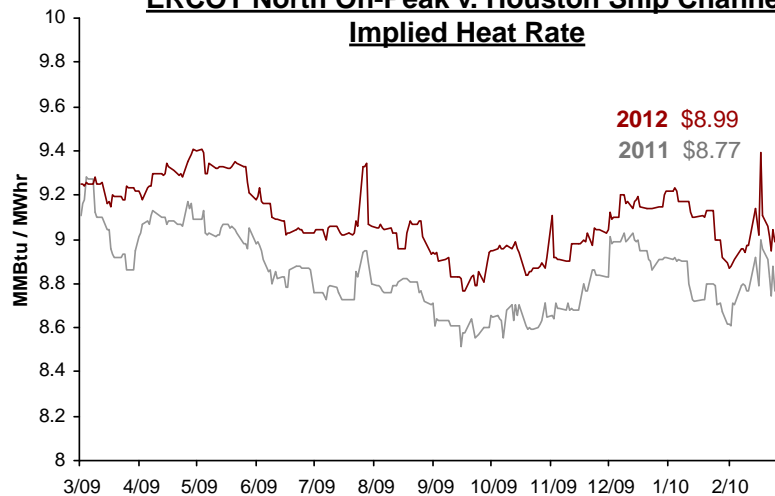
Houston Ship Channel Natural Gas Forward Prices



ERCOT North On-Peak Forward Prices



ERCOT North On-Peak v. Houston Ship Channel Implied Heat Rate



ERCOT North On Peak Spark Spread

Assumes a 7.2 Heat Rate, \$1.50 O&M, and \$.15 adder

