

April 30, 2014

Earnings within guidance range despite extreme weather

CHICAGO -- Exelon Corporation (NYSE: EXC) announced first quarter 2014 consolidated earnings as follows:

First Quarter

	2014	2013
Adjusted (non-GAAP) Operating Results:		
	\$530	\$602
Net Income (Loss) (\$ millions)		
	\$0.62	\$0.70
Diluted Earnings per Share		
GAAP Results:		
	\$90	\$(4)
Net Income (Loss) (\$ millions)		
	\$0.10	\$(0.01)

Diluted Earnings per Share

"Exelon delivered quarterly earnings within our guidance range despite extreme weather that caused significant challenges to operations across the business," said Exelon President and CEO Christopher M. Crane. "Our nuclear assets in particular contributed to grid reliability during the polar vortex, while our strategy of matching generation to load allowed us to capitalize on the increasing volatility in power markets."

First Quarter Operating Results

As shown in the table above, Exelon's adjusted (non-GAAP) operating earnings decreased to \$0.62 per share in the first quarter of 2014 from \$0.70 per share in the first quarter of 2013. Earnings in the first quarter of 2014 primarily reflected the following negative factors:

- Lower realized energy prices and higher procurement costs for replacement power;
 - Increased storm costs, primarily at PECO resulting from the February 5, 2014 ice storm; and
 - Decreased nuclear and fossil output during 2014 primarily due to outage days.
- These factors were offset by:

- Increased capacity prices related to the Reliability Pricing Model (RPM) for the PJM Interconnection, LLC market (PJM);
- Increased distribution revenue at BGE, due to the rate case orders for electric and natural gas, and at ComEd due to increased investment and allowed ROE; and
- Favorable weather at PECO and ComEd related to colder than average weather.

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

(in millions)	(per diluted share)	
Exelon Adjusted (non-GAAP) Operating Earnings	\$530	\$0.62
Mark-to-Market Impact of Economic Hedging Activities	(443)	(0.52)
Net Unrealized Gains Related to Nuclear		
Decommissioning Trust (NDT) Fund Investments	8	0.01
Merger and Integration Costs	(9)	(0.01)
Tax Settlements	35	0.04
Amortization of Commodity Contract Intangibles	(31)	(0.04)
Exelon GAAP Net Income	\$90	\$0.10

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

(in millions)	(per diluted share)	
Exelon Adjusted (non-GAAP) Operating Earnings	\$602	\$0.70
Mark-to-Market Impact of Economic Hedging Activities	(235)	(0.27)
Net Unrealized Gains Related to Nuclear		
Decommissioning Trust (NDT) Fund Investments	35	0.04
Plant Retirements and Divestitures	13	0.02
Merger and Integration Costs	(27)	(0.03)
Amortization of Commodity Contract Intangibles	(117)	(0.14)
Amortization of the Fair Value of Certain Debt	3	-
Re-measurement of Like-Kind Exchange Tax Position	(265)	(0.31)
Nuclear Uprate Project Cancellation	(13)	(0.02)
Exelon GAAP Net Income	\$(4)	\$(0.01)

First Quarter and Recent Highlights

• **Nuclear Operations:** Generation's nuclear fleet, including its owned output from the Salem Generating Station, produced 35,261 gigawatt-hours (GWh) in the first quarter of 2014, compared with 36,031 GWh in the first quarter of 2013. The output data excludes the units owned by Constellation Energy Nuclear Group LLC (CENG). Excluding Salem and the units owned by CENG, the Exelon-operated nuclear plants achieved a 94.1 percent capacity factor for the first quarter of 2014, compared with 96.4 percent for the first quarter of 2013. The number of planned refueling outage days totaled 52 in the first quarter of 2014, compared with 49 in the first quarter of 2013. There were 20 non-refueling outage days in the first quarter of 2014, compared with six days in the first quarter of 2013.

• **Fossil and Renewables Operations:** The Dispatch Match rate for Generation's gas/hydro fleet was 92.9 percent in the first quarter of 2014, compared with 98.7 percent in the first quarter of 2013. The performance in 2014 was impacted by equipment issues in January during periods of very high power prices. Energy

capture for the wind/solar fleet was 94.7 percent in the first quarter of 2014, compared with 94.9 percent in the first quarter of 2013.

- **Renewables Projects:** The 50.4 MW Beebe 1B project in Gratiot, Michigan and the 40.0 MW Fourmile Ridge project in Garrett County, Maryland are both expected to begin construction in the second quarter of 2014, with commercial operation expected by the fourth quarter. The remaining two blocks of the 230 MW Antelope Valley Solar Ranch project in California, Block 1 (28 MW) and Block 2 (20 MW) are expected to begin commercial operation in the second quarter of 2014.

- **Utility Operations:** During the first quarter, two arctic cold fronts (the Polar Vortex) and some of the coldest temperatures on record impacted each of Exelon's three utilities. As a result of the extreme temperatures, all three utilities set new winter electric peaks in the first quarter. Back to back storms on February 3rd and February 5th impacted the PECO service territory. PECO was able to restore service to all customers impacted by the storms in six days, approximately two days quicker than the hurricane Sandy response time.

- **ComEd Distribution Formula Rate Case:** On April 16, 2014, ComEd filed its 2014 annual distribution formula rate update, which establishes the net revenue requirement used to set rates that will take effect in January 2015 after review by the Illinois Commerce Commission. The revenue requirement requested in the filing is based on 2013 actual costs and projected 2014 capital additions, as well as an annual reconciliation of the revenue requirement in effect in 2013 to the actual costs incurred for that year. ComEd requested a total increase to the net revenue requirement of \$275 million, reflecting an increase of \$177 million for the initial revenue requirement for 2014 and an increase of \$98 million for the annual reconciliation for 2013.

- **Financing Activities:**

- On January 10, 2014, ComEd issued \$300 million aggregate principal amount of its First Mortgage 2.15 percent Bonds, Series 115, due January 15, 2019, and \$350 million aggregate principal amount of its First Mortgage 4.70 percent Bonds, Series 116, due January 15, 2044.

- On February 6, 2014, Exelon Generation Renewables, LLC issued \$300 million aggregate principal amount of three month LIBOR plus 4.25 percent non-recourse senior secured notes, due February 6, 2021.

• **Hedging Update:** Exelon’s hedging program involves the hedging of commodity risk for Exelon’s expected generation, typically on a ratable basis over a three-year period. Expected generation represents the amount of energy estimated to be generated or purchased through owned or contracted-for capacity. The proportion of expected generation hedged as of March 31, 2014, was 91 percent to 94 percent for 2014, 64 percent to 67 percent for 2015, and 37 percent to 40 percent for 2016. The primary objective of Exelon’s hedging program is to manage market risks and protect the value of its generation and its investment-grade balance sheet, while preserving its ability to participate in improving long-term market fundamentals.

Operating Company Results

Generation consists of owned and contracted electric generating facilities and wholesale and retail customer supply of electric and natural gas products and services, including renewable energy products, risk management services and natural gas exploration and production activities.

The first quarter 2014 GAAP net loss was \$185 million, compared with a net loss of \$18 million in the first quarter of 2013. Adjusted (non-GAAP) operating earnings for the first quarter of 2014 and 2013 do not include various items (after tax) that were included in reported GAAP earnings. A reconciliation of Adjusted (non-GAAP) Operating Earnings to GAAP Net Loss is in the table below:

(\$ millions)	1Q14	1Q13
Generation Adjusted (non-GAAP) Operating Earnings	\$258	\$336
Mark-to-Market Impact of Economic Hedging Activities	(446)	(246)
Net Unrealized Losses Related to NDT Fund Investments	8	35
Plant Retirements and Divestitures	-	(13)
Merger and Integration Costs	(9)	(29)
Amortization of Commodity Contract Intangibles	(31)	(117)
Amortization of the Fair Value of Certain Debt	-	3

Nuclear Project Uprate Cancellation	-	(13)
Tax Settlements	35	-
Generation GAAP Net Loss	\$(185)	\$(18)

Generation's Adjusted (non-GAAP) Operating Earnings in the first quarter of 2014 decreased \$78 million compared with the same quarter in 2013. This decrease primarily reflected:

- Lower realized energy prices and higher procurement costs for replacement power; and
- Decreased nuclear and fossil output during 2014, primarily due to outage days. These items were partially offset by favorable capacity pricing related to RPM for the PJM market.

ComEd consists of electricity transmission and distribution operations in northern Illinois. ComEd recorded GAAP net income of \$98 million in the first quarter of 2014, compared with net losses of \$(81) million in the first quarter of 2013. Adjusted (non-GAAP) operating earnings for the first quarter of 2013 do not include various items (after tax) that were included in reported GAAP earnings. A reconciliation of Adjusted (non-GAAP) Operating Earnings to GAAP Net Income is in the table below:

(\$ millions)	1Q14	1Q13
ComEd Adjusted (non-GAAP) Operating Earnings	\$98	\$89
Re-measurement of Like-Kind Exchange Tax Position	-	(170)
ComEd GAAP Net Income (Loss)	\$98	\$(81)

ComEd's Adjusted (non-GAAP) Operating Earnings in the first quarter of 2014 were up \$9 million from the same quarter in 2013, primarily due to favorable weather and higher distribution revenue due to increased investment and allowed ROE, partially offset by favorable tax settlement related interest recognized in first quarter 2013.

For the first quarter of 2014, heating degree-days in the ComEd service territory were up 18.9 percent relative to the same period in 2013 and were 22.4 percent

above normal. Total retail electric deliveries increased 5.8 percent in first quarter of 2014 compared with first quarter of 2013.

Weather-normalized retail electric deliveries increased 1.8 percent in the first quarter of 2014 relative to 2013, primarily reflecting growth in the residential sector.

For ComEd, weather had a favorable after-tax effect of \$9 million on first quarter 2014 earnings relative to 2013 and a favorable after-tax effect of \$10 million relative to normal weather.

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

PECO's GAAP net income in the first quarter of 2014 was \$89 million, compared with \$121 million in the first quarter of 2013. Adjusted (non-GAAP) Operating Earnings for the first quarter of 2013 do not include various items (after tax) that were included in reported GAAP earnings. A reconciliation of Adjusted (non-GAAP) Operating Earnings to GAAP Net Income is in the table below:

(\$ millions)	1Q14	1Q13
PECO Adjusted (non-GAAP) Operating Earnings	\$89	\$123
Merger and Integration Costs	-	(2)
PECO GAAP Net Income	\$89	\$121

PECO's Adjusted (non-GAAP) Operating Earnings in the first quarter of 2014 decreased \$34 million from the same quarter in 2013, primarily due to increased storm costs related to the February 5, 2014 ice storm. This was partially offset by favorable weather.

For the first quarter of 2014, heating degree-days in the PECO service territory were up 16.6 percent relative to the same period in 2013 and were 14.9 percent above normal. Total retail electric deliveries were up 6.0 percent compared with the first quarter of 2013. Natural gas deliveries (including both retail and transportation segments) in the first quarter of 2014 were up 11.3 percent compared with the first quarter of 2013.

Weather-normalized retail electric deliveries increased 1.3 percent in the first quarter of 2014 relative to 2013, driven primarily by economic and customer growth (mainly in the large C&I and residential classes), partially offset by energy efficiency. Total weather-normalized gas deliveries (including both retail and transportation segments) were down 2.7 percent in the first quarter of 2014, primarily driven by weather-related interruptions and school closings as well as high gas prices in the transportation segment.

For PECO, weather had a favorable after-tax effect of \$20 million on first quarter 2014 earnings relative to 2013 and a favorable after-tax effect of \$18 million relative to normal weather.

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

BGE's GAAP net income in the first quarter of 2014 was \$85 million, compared with \$77 million in the first quarter of 2013. Adjusted (non-GAAP) Operating Earnings for the first quarter of 2013 do not include various items (after tax) that were included in reported GAAP earnings. A reconciliation of Adjusted (non-GAAP) Operating Earnings to GAAP Net Income is in the table below:

(\$ millions)	1Q14	1Q13
BGE Adjusted (non-GAAP) Operating Earnings (Loss)	\$85	\$74
Merger and Integration Costs	-	3
BGE GAAP Net Income	\$85	\$77

BGE's Adjusted (non-GAAP) Operating Earnings in the first quarter of 2014 increased \$11 million from the same quarter in 2013, primarily due to higher electric and gas distribution rates partially offset by storm costs. Due to revenue decoupling, BGE is not affected by weather variations, with the exception of major storms.

Adjusted (non-GAAP) Operating Earnings

Adjusted (non-GAAP) operating earnings, which generally exclude significant one-time charges or credits that are not normally associated with ongoing operations, mark-to-market adjustments from economic hedging activities and unrealized gains and losses from NDT fund investments, are provided as a supplement to results reported in accordance with GAAP. Management uses such adjusted (non-GAAP) operating earnings measures internally to evaluate the company's performance and manage its operations. Reconciliation of GAAP

to adjusted (non-GAAP) operating earnings for historical periods is attached. Additional earnings release attachments, which include the reconciliation on page 8 are posted on Exelon's Web site: www.exeloncorp.com and have been furnished to the Securities and Exchange Commission on Form 8-K on April 30, 2014.

Cautionary Statements Regarding Forward-Looking Information

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from the forward-looking statements made by Exelon Corporation, Commonwealth Edison Company, PECO Energy Company, Baltimore Gas and Electric Company and Exelon Generation Company, LLC (Registrants) include those factors discussed herein, as well as the items discussed in (1) Exelon's 2013 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 22; (2) Exelon's First Quarter 2014 Quarterly Report on Form 10-Q (to be filed on April 30, 2014) in (a) Part II, Other Information, ITEM 1A. Risk Factors; (b) Part 1, Financial Information, ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, Financial Information, ITEM 1. Financial Statements: Note 15; and (3) other factors discussed in filings with the SEC by the Registrants. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this press release. None of the Registrants undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this press release.

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Exelon Corporation (NYSE: EXC) is the nation's leading competitive energy provider, with 2013 revenues of approximately \$24.9 billion. Headquartered in Chicago, Exelon has operations and business activities in 47 states, the District of Columbia and Canada. Exelon is one of the largest competitive U.S. power generators, with more than 35,000 megawatts of owned capacity comprising one of the nation's cleanest and lowest-cost power generation fleets. The company's Constellation business unit provides energy products and

services to approximately 100,000 business and public sector customers and approximately 1 million residential customers. Exelon's utilities deliver electricity and natural gas to more than 6.6 million customers in central Maryland (BGE), northern Illinois (ComEd) and southeastern Pennsylvania (PECO).

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