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# FORM 10-Q

EXELON CORP - EXC

Filed: October 27, 2005 (period: September 30, 2005)

Quarterly report which provides a continuing view of a company's financial position

## OFFICIAL FILE

ICC DOCKET NO. 05-0597  
ICC Staff Cross Exhibit No. 11  
Witness Mitchell  
Date 3/30/06 Reporter CLC

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the Quarterly Period Ended September 30, 2005

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

<u>Commission File Number</u>	<u>Name of Registrant; State of Incorporation; Address of Principal Executive Offices; and Telephone Number</u>	<u>IRS Employer Identification Number</u>
1-16169	EXELON CORPORATION (a Pennsylvania corporation) 10 South Dearborn Street - 37th Floor P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-7398	23-2990190
1-1839	COMMONWEALTH EDISON COMPANY (an Illinois corporation) 10 South Dearborn Street - 37th Floor P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-4321	36-0938600
1-1401	PECO ENERGY COMPANY (a Pennsylvania corporation) P.O. Box 8699 2301 Market Street Philadelphia, Pennsylvania 19101-8699 (215) 841-4000	23-0970240
333-85496	EXELON GENERATION COMPANY, LLC (a Pennsylvania limited liability company) 300 Exelon Way Kennett Square, Pennsylvania 19348 (610) 765-6900	23-3064219

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No .

The number of shares outstanding of each registrant's common stock as of September 30, 2005 was:

Exelon Corporation Common Stock, without par value	667,225,227
Commonwealth Edison Company Common Stock, \$12.50 par value	127,016,519
PECO Energy Company Common Stock, without par value	170,478,507
Exelon Generation Company, LLC	not applicable

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Exelon Corporation Yes  No . Commonwealth Edison Company, PECO Energy Company and Exelon Generation Company, LLC Yes  No .

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Exelon Corporation, Commonwealth Edison Company, PECO Energy Company and Exelon Generation Company, LLC Yes  No .

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### **FILING FORMAT**

This combined Form 10-Q is being filed separately by Exelon Corporation (Exelon), Commonwealth Edison Company (ComEd), PECO Energy Company (PECO) and Exelon Generation Company, LLC (Generation) (collectively, the Registrants). Information contained herein relating to any individual registrant is filed by such registrant on its own behalf. No registrant makes any representation as to information relating to any other registrant.

### **FORWARD-LOOKING STATEMENTS**

Certain of the matters discussed in this Report are 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 a registrant include those factors discussed herein, as well as the items discussed in (a) the Registrants' 2004 Annual Report on Form 10-K — ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operation — Business Outlook and the Challenges in Managing Our Business for each of Exelon, ComEd, PECO and Generation and Current Report on Form 8-K filed on May 13, 2005 to recast information contained in Exelon's and Generation's 2004 Annual Report on Form 10-K, (b) the Registrants' 2004 Annual Report on Form 10-K — ITEM 8. Financial Statements and Supplementary Data: Exelon — Note 20, ComEd — Note 15, PECO — Note 14 and Generation — Note 16 and Current Report on Form 8-K filed on May 13, 2005 to recast information contained in Exelon's and Generation's 2004 Annual Report on Form 10-K, (c) Exelon's Current Report on Form 8-K filed on May 13, 2005, including those discussed in Exhibit 99.2 "Management's Discussion and Analysis of Financial Condition and Results of Operation" and Exhibit 99.3 "Financial Statements and Supplementary Data", (d) Generation's Current Report on Form 8-K filed on May 13, 2005, including those discussed in Exhibit 99.5 "Management's Discussion and Analysis of Financial Condition and Results of Operation" and Exhibit 99.6 "Financial Statements and Supplementary Data" and (e) other factors discussed in filings with the United States Securities and Exchange Commission (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 Report. None of the Registrants undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this Report.

### **WHERE TO FIND MORE INFORMATION**

The public may read and copy any reports or other information that the Registrants file with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. These documents are also available to the public from commercial document retrieval services, the web site maintained by the SEC at [www.sec.gov](http://www.sec.gov) and Exelon's website at [www.exeloncorp.com](http://www.exeloncorp.com). Information contained on Exelon's web site shall not be deemed incorporated into, or to be a part of, this Report.

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**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

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**EXELON CORPORATION**

**EXELON CORPORATION AND SUBSIDIARY COMPANIES  
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME  
(Unaudited)**

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2005	2004	2005	2004
(In millions, except per share data)				
<b>Operating revenues</b>	\$ 4,473	\$ 3,748	\$ 11,519	\$ 10,821
<b>Operating expenses</b>				
Purchased power	1,210	887	2,442	2,145
Fuel	471	346	1,570	1,636
Operating and maintenance	911	778	2,804	2,696
Depreciation and amortization	358	362	1,003	974
Taxes other than income	211	177	560	548
Total operating expenses	<u>3,161</u>	<u>2,550</u>	<u>8,379</u>	<u>7,999</u>
<b>Operating income</b>	<u>1,312</u>	<u>1,198</u>	<u>3,140</u>	<u>2,822</u>
<b>Other income and deductions</b>				
Interest expense	(139)	(112)	(374)	(362)
Interest expense to affiliates	(77)	(88)	(241)	(271)
Distributions on preferred securities of subsidiary	(1)	(1)	(3)	(3)
Equity in losses of unconsolidated affiliates	(39)	(42)	(107)	(97)
Other, net	12	(102)	111	46
Total other income and deductions	<u>(244)</u>	<u>(345)</u>	<u>(614)</u>	<u>(687)</u>
<b>Income from continuing operations before income taxes and minority interest</b>	1,068	853	2,526	2,135
<b>Income taxes</b>	<u>344</u>	<u>279</u>	<u>779</u>	<u>661</u>
<b>Income from continuing operations before minority interest</b>	724	574	1,747	1,474
<b>Minority interest</b>	<u>—</u>	<u>3</u>	<u>—</u>	<u>3</u>
<b>Income from continuing operations</b>	724	577	1,747	1,477
<b>Discontinued operations</b>				
Income (loss) from discontinued operations (net of income taxes of \$0, \$2, \$(2) and \$(23) for the three and nine months ended September 30, 2005 and 2004, respectively)	<u>—</u>	<u>1</u>	<u>(3)</u>	<u>(30)</u>
Gain (loss) on disposal of discontinued operations (net of income taxes of \$1, \$(1), \$5 and \$18 for the three and nine months ended September 30, 2005 and 2004, respectively)	<u>1</u>	<u>(1)</u>	<u>16</u>	<u>31</u>
Income from discontinued operations	<u>1</u>	<u>—</u>	<u>13</u>	<u>1</u>
<b>Income before cumulative effect of changes in accounting principles</b>	725	577	1,760	1,478
<b>Cumulative effect of changes in accounting principles (net of income taxes of \$(5) and \$17 for the three and nine months ended September 30, 2004, respectively)</b>	<u>—</u>	<u>(9)</u>	<u>—</u>	<u>23</u>
<b>Net income</b>	<u>725</u>	<u>568</u>	<u>1,760</u>	<u>1,501</u>
<b>Other comprehensive income (loss), net of income taxes</b>				
Minimum pension liability	—	—	2	—
Change in net unrealized gain (loss) on cash-flow hedges	(161)	77	(294)	(68)
Foreign currency translation adjustment	—	—	—	(2)
Unrealized gain (loss) on marketable securities	15	7	(9)	18
Total other comprehensive income (loss)	<u>(146)</u>	<u>84</u>	<u>(301)</u>	<u>(52)</u>
<b>Total comprehensive income</b>	<u>\$ 579</u>	<u>\$ 652</u>	<u>\$ 1,459</u>	<u>\$ 1,449</u>
<b>Average shares of common stock outstanding — Basic</b>	<u>670</u>	<u>661</u>	<u>669</u>	<u>660</u>
<b>Average shares of common stock outstanding — Diluted</b>	<u>677</u>	<u>669</u>	<u>676</u>	<u>668</u>
<b>Earnings per average common share — Basic:</b>				
Income from continuing operations	\$ 1.08	\$ 0.87	\$ 2.61	\$ 2.23
Income from discontinued operations	<u>—</u>	<u>—</u>	<u>0.02</u>	<u>—</u>
Income before cumulative effect of changes in accounting principles	1.08	0.87	2.63	2.23
Cumulative effect of changes in accounting principles	<u>—</u>	<u>(0.01)</u>	<u>—</u>	<u>0.04</u>
Net income	<u>\$ 1.08</u>	<u>\$ 0.86</u>	<u>\$ 2.63</u>	<u>\$ 2.27</u>
<b>Earnings per average common share — Diluted:</b>				
Income from continuing operations	\$ 1.07	\$ 0.86	\$ 2.58	\$ 2.21
Income from discontinued operations	<u>—</u>	<u>—</u>	<u>0.02</u>	<u>—</u>
Income before cumulative effect of changes in accounting principles	1.07	0.86	2.60	2.21
Cumulative effect of changes in accounting principles	<u>—</u>	<u>(0.01)</u>	<u>—</u>	<u>0.04</u>
Net income	<u>\$ 1.07</u>	<u>\$ 0.85</u>	<u>\$ 2.60</u>	<u>\$ 2.25</u>
<b>Dividends per common share</b>	<u>\$ 0.400</u>	<u>\$ 0.305</u>	<u>\$ 1.200</u>	<u>\$ 0.860</u>

See the Combined Notes to Consolidated Financial Statements

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**EXELON CORPORATION AND SUBSIDIARY COMPANIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)**

	Nine Months Ended September 30,	
	2005	2004
<b>(In millions)</b>		
<b>Cash flows from operating activities</b>		
Net income	\$ 1,760	\$ 1,501
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation, amortization and accretion, including nuclear fuel	1,477	1,449
Other decommissioning-related activities	18	65
Cumulative effect of changes in accounting principles (net of income taxes)	—	(23)
Deferred income taxes and amortization of investment tax credits	487	314
Provision for uncollectible accounts	48	59
Equity in losses of unconsolidated affiliates	107	97
Gain on sales of investments and wholly owned subsidiaries	(19)	(154)
Net realized gains on nuclear decommissioning trust funds	(52)	(9)
Other non-cash operating activities	39	(24)
Changes in assets and liabilities:		
Accounts receivable	(213)	(6)
Inventories	(54)	(20)
Other current assets	(231)	105
Accounts payable, accrued expenses and other current liabilities	125	(92)
Income taxes	257	149
Net realized and unrealized mark-to-market and hedging transactions	(168)	(6)
Pension and non-pension postretirement benefits obligation	(1,893)	(259)
Other noncurrent assets and liabilities	(99)	8
	<u>1,589</u>	<u>3,154</u>
Net cash flows provided by operating activities		
<b>Cash flows from investing activities</b>		
Capital expenditures	(1,521)	(1,295)
Proceeds from sale of nuclear decommissioning trust fund assets	3,234	1,485
Investment in nuclear decommissioning trust funds	(3,387)	(1,687)
Collection of other notes receivable	—	58
Proceeds from sales of investments and wholly owned subsidiaries, net of \$32 of cash sold during the nine months ended September 30, 2005	105	238
Proceeds from sales of long-lived assets	2	50
Acquisition of Sithe Energies, Inc.	(97)	—
Investment in synthetic fuel-producing facilities	(92)	(32)
Change in restricted cash	38	(18)
Net cash increase from consolidation of Sithe Energies, Inc.	—	19
Other investing activities	(10)	(25)
	<u>(1,728)</u>	<u>(1,207)</u>
Net cash flows used in investing activities		
<b>Cash flows from financing activities</b>		
Issuance of long-term debt	1,788	75
Retirement of long-term debt	(382)	(973)
Retirement of long-term debt to financing affiliates	(639)	(547)
Issuance of short-term debt	2,500	—
Retirement of short-term debt	(2,200)	—
Change in other short-term debt	(344)	(1)
Payment on acquisition note payable to Sithe Energies, Inc.	—	(27)
Dividends paid on common stock	(804)	(565)
Proceeds from employee stock plans	193	192
Purchase of treasury stock	(262)	(75)
Other financing activities	(57)	36
	<u>(207)</u>	<u>(1,885)</u>
Net cash flows used in financing activities		
<b>Increase (decrease) in cash and cash equivalents</b>	<u>(346)</u>	<u>62</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>499</u>	<u>493</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 153</u>	<u>\$ 555</u>
<b>Supplemental cash flow information — Noncash investing and financing activities:</b>		
Consolidation of Sithe Energies, Inc. pursuant to FASB Interpretation No. 46-R, "Consolidation of Variable Interest Entities"	\$ —	\$ 85
Disposition of Boston Generating, LLC	—	102
Note payable issued for investment in synthetic fuel-producing facilities	—	22

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**EXELON CORPORATION AND SUBSIDIARY COMPANIES  
CONSOLIDATED BALANCE SHEETS  
(Unaudited)**

(In millions)	ASSETS	September 30, 2005	December 31, 2004
<b>Current assets</b>			
Cash and cash equivalents		\$ 153	\$ 499
Restricted cash and investments		32	60
Accounts receivable, net			
Customer		1,834	1,649
Other		263	409
Mark-to-market derivative assets		1,240	403
Inventories, at average cost			
Fossil fuel		262	230
Materials and supplies		336	312
Deferred income taxes		108	68
Other		495	296
Total current assets		<u>4,723</u>	<u>3,926</u>
<b>Property, plant and equipment, net</b>		21,613	21,482
<b>Deferred debits and other assets</b>			
Regulatory assets		4,460	4,790
Nuclear decommissioning trust funds		5,455	5,262
Investments		811	804
Goodwill		4,696	4,705
Mark-to-market derivative assets		397	383
Pension asset		83	—
Other		914	1,418
Total deferred debits and other assets		<u>16,816</u>	<u>17,362</u>
<b>Total assets</b>		<u>\$ 43,152</u>	<u>\$ 42,770</u>

See the Combined Notes to Consolidated Financial Statements

**EXELON CORPORATION AND SUBSIDIARY COMPANIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

(In millions)	September 30, 2005	December 31, 2004
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Notes payable	\$ 446	\$ 490
Long-term debt due within one year	218	427
Long-term debt to ComEd Transitional Funding Trust and PECO Energy Transition Trust due within one year	615	486
Accounts payable	1,434	1,255
Mark-to-market derivative liabilities	1,684	598
Accrued expenses	978	1,143
Other	670	483
Total current liabilities	6,045	4,882
<b>Long-term debt</b>	8,076	7,292
<b>Long-term debt to ComEd Transitional Funding Trust and PECO Energy Transition Trust</b>	3,542	4,311
<b>Long-term debt to other financing trusts</b>	545	545
<b>Deferred credits and other liabilities</b>		
Deferred income taxes	4,753	4,488
Unamortized investment tax credits	265	275
Asset retirement obligation	3,872	3,981
Pension obligations	112	1,993
Non-pension postretirement benefits obligation	1,136	1,065
Spent nuclear fuel obligation	897	878
Regulatory liabilities	2,343	2,204
Mark-to-market derivative liabilities	482	323
Other	839	915
Total deferred credits and other liabilities	14,699	16,122
Total liabilities	32,907	33,152
<b>Commitments and contingencies</b>		
Minority interest of consolidated subsidiary	1	42
Preferred securities of subsidiaries	87	87
<b>Shareholders' equity</b>		
Common stock (No par value, 2,000 shares authorized, 667.2 and 664.2 shares outstanding at September 30, 2005 and December 31, 2004, respectively)	7,939	7,664
Treasury stock, at cost (7.5 and 2.5 shares held at September 30, 2005 and December 31, 2004, respectively)	(344)	(82)
Retained earnings	4,309	3,353
Accumulated other comprehensive loss	(1,747)	(1,446)
Total shareholders' equity	10,157	9,489
<b>Total liabilities and shareholders' equity</b>	\$ 43,152	\$ 42,770

See the Combined Notes to Consolidated Financial Statements

**EXELON CORPORATION AND SUBSIDIARY COMPANIES  
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
(Unaudited)**

(Dollars in millions, shares in thousands)	<u>Issued Shares</u>	<u>Common Stock</u>	<u>Treasury Stock</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Total Shareholders' Equity</u>
<b>Balance, December 31, 2004</b>	666,688	\$ 7,664	\$ (82)	\$ 3,353	\$ (1,446)	\$ 9,489
Net income	—	—	—	1,760	—	1,760
Long-term incentive plan activity	8,048	275	—	—	—	275
Common stock purchases	—	—	(262)	—	—	(262)
Common stock dividends declared	—	—	—	(804)	—	(804)
Other comprehensive loss, net of income taxes	—	—	—	—	(301)	(301)
<b>Balance, September 30, 2005</b>	<u>674,736</u>	<u>\$ 7,939</u>	<u>\$ (344)</u>	<u>\$ 4,309</u>	<u>\$ (1,747)</u>	<u>\$ 10,157</u>

See the Combined Notes to Consolidated Financial Statements

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**COMMONWEALTH EDISON COMPANY**

**COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES  
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME  
(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
<i>(In millions)</i>				
<b>Operating revenues</b>				
Operating revenues	\$ 1,945	\$ 1,720	\$ 4,814	\$ 4,441
Operating revenues from affiliates	3	—	8	17
Total operating revenues	<u>1,948</u>	<u>1,720</u>	<u>4,822</u>	<u>4,458</u>
<b>Operating expenses</b>				
Purchased power	91	80	247	144
Purchased power from affiliate	991	827	2,514	1,870
Operating and maintenance	161	189	475	544
Operating and maintenance from affiliates	50	42	139	125
Depreciation and amortization	111	104	308	309
Taxes other than income	81	68	232	219
Total operating expenses	<u>1,485</u>	<u>1,310</u>	<u>3,915</u>	<u>3,211</u>
<b>Operating income</b>	<u>463</u>	<u>410</u>	<u>907</u>	<u>1,247</u>
<b>Other income and deductions</b>				
Interest expense	(49)	(59)	(152)	(203)
Interest expense to affiliates	(22)	(27)	(71)	(85)
Equity in losses of unconsolidated affiliates	(3)	(4)	(11)	(13)
Interest income from affiliates	—	6	3	16
Net loss on the extinguishment of long-term debt	—	(106)	—	(106)
Other, net	(10)	(1)	—	6
Total other income and deductions	<u>(84)</u>	<u>(191)</u>	<u>(231)</u>	<u>(385)</u>
<b>Income before income taxes</b>	379	219	676	862
<b>Income taxes</b>	155	95	273	351
<b>Net income</b>	<u>224</u>	<u>124</u>	<u>403</u>	<u>511</u>
<b>Other comprehensive income (loss), net of income taxes</b>				
Change in net unrealized gain on cash-flow hedges	21	—	—	—
Unrealized gain on marketable securities	1	—	1	—
Foreign currency translation adjustment	—	(1)	—	(1)
Total other comprehensive income (loss)	<u>22</u>	<u>(1)</u>	<u>1</u>	<u>(1)</u>
<b>Total comprehensive income</b>	<u>\$ 246</u>	<u>\$ 123</u>	<u>\$ 404</u>	<u>\$ 510</u>

See the Combined Notes to Consolidated Financial Statements

**COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	Nine Months Ended September 30,	
	2005	2004
<b>(In millions)</b>		
<b>Cash flows from operating activities</b>		
Net income	\$ 403	\$ 511
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	308	309
Deferred income taxes and amortization of investment tax credits	190	157
Provision for uncollectible accounts	21	25
Equity in losses of unconsolidated affiliates	11	13
Other non-cash operating activities	46	80
Changes in assets and liabilities:		
Accounts receivable	(189)	(110)
Other current assets	(11)	—
Accounts payable, accrued expenses and other current liabilities	17	(34)
Changes in receivables and payables to affiliates	8	24
Income taxes	30	53
Pension asset and non-pension postretirement benefits obligation	(760)	(141)
Other noncurrent assets and liabilities	(16)	(20)
Net cash flows provided by operating activities	<u>58</u>	<u>867</u>
<b>Cash flows from investing activities</b>		
Capital expenditures	(597)	(518)
Changes in Exelon intercompany money pool contributions	308	405
Change in restricted cash	—	20
Notes receivable from affiliates	—	436
Other investing activities	3	12
Net cash flows provided by (used in) investing activities	<u>(286)</u>	<u>355</u>
<b>Cash flows from financing activities</b>		
Issuance of short-term debt	146	—
Issuance of long-term debt	91	—
Retirement of long-term debt	(310)	(798)
Retirement of long-term debt to ComEd Transitional Funding Trust	(278)	(261)
Changes in Exelon intercompany money pool borrowings	110	17
Dividends paid on common stock	(352)	(320)
Contributions from parent	834	94
Settlement of cash-flow and fair-value hedges	—	26
Other financing activities	(5)	2
Net cash flows provided by (used in) financing activities	<u>236</u>	<u>(1,240)</u>
Increase (decrease) in cash and cash equivalents	8	(18)
Cash and cash equivalents at beginning of period	30	34
Cash and cash equivalents at end of period	<u>\$ 38</u>	<u>\$ 16</u>

See the Combined Notes to Consolidated Financial Statements

**COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

(In millions)	ASSETS	September 30, 2005	December 31, 2004
<b>Current assets</b>			
Cash and cash equivalents		\$ 38	\$ 30
Accounts receivable, net			
Customer		899	726
Other		35	50
Inventories, at average cost		48	48
Deferred income taxes		22	—
Receivables from affiliates		16	10
Contributions to Exelon intercompany money pool		—	308
Other		36	24
Total current assets		<u>1,094</u>	<u>1,196</u>
<b>Property, plant and equipment, net</b>		9,806	9,463
<b>Deferred debits and other assets</b>			
Investments		40	39
Investment in affiliates		38	52
Goodwill		4,696	4,705
Receivables from affiliates		1,539	1,443
Pension asset		943	156
Other		362	387
Total deferred debits and other assets		<u>7,618</u>	<u>6,782</u>
<b>Total assets</b>		<u>\$ 18,518</u>	<u>\$ 17,441</u>

See the Combined Notes to Consolidated Financial Statements

**COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

(In millions)	<u>September 30,</u> 2005	<u>December 31,</u> 2004
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Long-term debt due within one year	\$ 109	\$ 272
Long-term debt to ComEd Transitional Funding Trust due within one year	297	321
Accounts payable	273	196
Accrued expenses	555	589
Payable to affiliates	266	227
Notes payable	146	—
Borrowings from Exelon intercompany money pool	110	—
Customer deposits	106	93
Deferred income taxes	—	17
Other	42	49
Total current liabilities	1,904	1,764
<b>Long-term debt</b>	2,829	2,901
<b>Long-term debt to ComEd Transitional Funding Trust</b>	766	1,020
<b>Long-term debt to other financing trusts</b>	361	361
<b>Deferred credits and other liabilities</b>		
Deferred income taxes	2,125	1,890
Unamortized investment tax credits	44	45
Non-pension postretirement benefits obligation	222	195
Payables to affiliates	16	17
Regulatory liabilities	2,343	2,204
Other	282	304
Total deferred credits and other liabilities	5,032	4,655
Total liabilities	10,892	10,701
<b>Commitments and contingencies</b>		
<b>Shareholders' equity</b>		
Common stock	1,588	1,588
Preference stock	7	7
Other paid-in capital	4,877	4,168
Receivable from parent	—	(125)
Retained earnings	1,153	1,102
Accumulated other comprehensive income	1	—
Total shareholders' equity	7,626	6,740
<b>Total liabilities and shareholders' equity</b>	<b>\$ 18,518</b>	<b>\$ 17,441</b>

See the Combined Notes to Consolidated Financial Statements

**COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited)

(In millions)	<u>Common Stock</u>	<u>Preference Stock</u>	<u>Other Paid-in Capital</u>	<u>Receivable from Parent</u>	<u>Retained Earnings Unappropriated</u>	<u>Retained Earnings Appropriated</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total Shareholders' Equity</u>
<b>Balance, December 31, 2004</b>	\$ 1,588	\$ 7	\$ 4,168	\$ (125)	\$ —	\$ 1,102	\$ —	\$ 6,740
Net income	—	—	—	—	403	—	—	403
Repayment of receivable from parent	—	—	—	125	—	—	—	125
Capital contribution from parent	—	—	709	—	—	—	—	709
Appropriation of Retained Earnings for future dividends	—	—	—	—	(403)	403	—	—
Common stock dividends	—	—	—	—	—	(352)	—	(352)
Other comprehensive income, net of income taxes	—	—	—	—	—	—	1	1
<b>Balance, September 30, 2005</b>	<u>\$ 1,588</u>	<u>\$ 7</u>	<u>\$ 4,877</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,153</u>	<u>\$ 1</u>	<u>\$ 7,626</u>

See the Combined Notes to Consolidated Financial Statements