

AG Cross Exhibit 1

Illinois Commerce Commission Docket 06-0800



Exelon Rating Agency Presentation

Kennett Square
December 2006

AG CROSS EX 1



Exelon Strategic Overview

The Exelon Companies



Exelon →

'06E Operating Earnings:	\$2.1B - \$2.2B
'06E EPS Guidance ⁽¹⁾ :	\$3.15 - \$3.30
'07E Operating Earnings ⁽²⁾ :	\$2.7B - \$2.9B
'07E EPS Guidance ⁽²⁾ :	\$4.00 - \$4.30
Assets (12/31/05):	\$42.4B

ComEd
An Exelon Company

PECO
An Exelon Company

Exelon
Generation

Illinois
Utility

Pennsylvania
Utility

Nuclear, Fossil & Hydro Generation
Power Marketing

'06E Earnings⁽¹⁾: \$510M - \$530M
'07E Earnings⁽²⁾: \$65M - \$125M

\$410M - \$440M
\$400M - \$420M

'06E Earnings⁽¹⁾: \$1,250M - \$1,320M
'07E Earnings⁽²⁾: \$2,280M - \$2,420M

'06E EPS⁽¹⁾: \$0.75 - \$0.80
'07E EPS Guidance⁽²⁾: \$0.10 - \$0.20

\$0.60 - \$0.65
\$0.60 - \$0.65

'06E EPS⁽¹⁾: \$1.85 - \$1.95
'07E EPS Guidance⁽²⁾: \$3.40 - \$3.60

(1) Estimated 2006 Adjusted (Non-GAAP) Operating Earnings
(2) Estimated 2007 Adjusted (Non-GAAP) Operating Earnings

Multi-Regional, Diverse Company



An Exelon Company

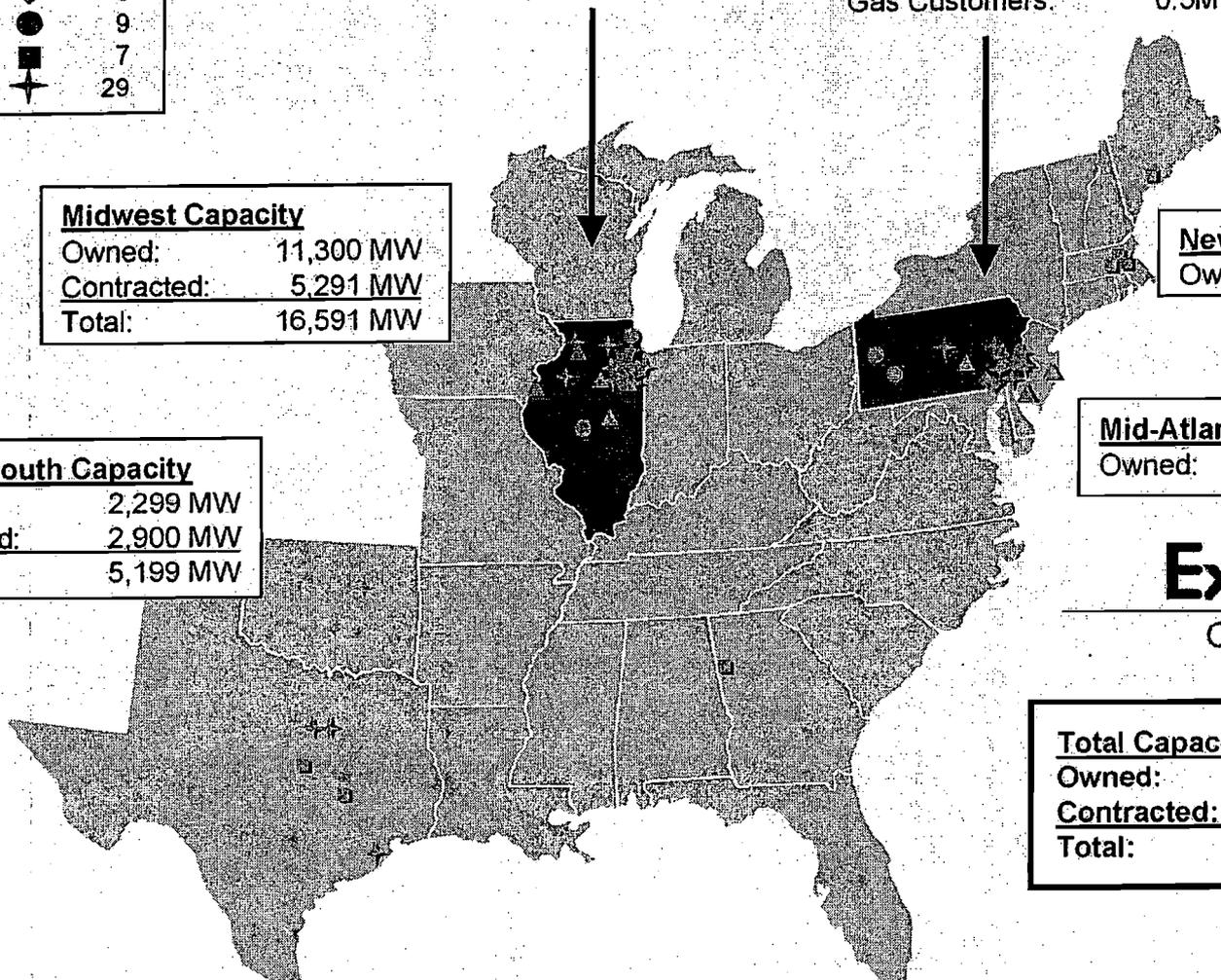
Electricity Customers: 3.7M



An Exelon Company

Electricity Customers: 1.6M
Gas Customers: 0.5M

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



<u>Midwest Capacity</u>	
Owned:	11,300 MW
Contracted:	5,291 MW
Total:	16,591 MW

<u>New England Capacity</u>	
Owned:	542 MW

<u>ERCOT/South Capacity</u>	
Owned:	2,299 MW
Contracted:	2,900 MW
Total:	5,199 MW

<u>Mid-Atlantic Capacity</u>	
Owned:	10,958 MW

Exelon.
Generation

<u>Total Capacity</u>	
Owned:	25,099 MW
Contracted:	8,191 MW
Total:	33,290 MW

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

our vision

Exelon will be the best group of electric generation and electric and gas delivery companies in the United States – providing superior value for our customers, employees, investors and the communities we serve.

our goals

- > Keep the lights on and the gas flowing
- > Run the nuclear fleet at world-class levels
- > Capitalize on environmental leadership and clean nuclear energy
- > Create a challenging and rewarding workplace
- > Enhance the value of our generation
- > Build value through disciplined financial management

our values

Safety – for our employees, our customers and our communities

Integrity – the highest ethical standards in what we say and what we do

Diversity – in ethnicity, gender, experience and thought

Respect – trust and teamwork through open and honest communication

Accountability – for our commitments, actions and results

Continuous improvement – stretch goals and measured results

Exelon's Strategic Direction



Protect Today's Value

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

+

Grow Long Term Value

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

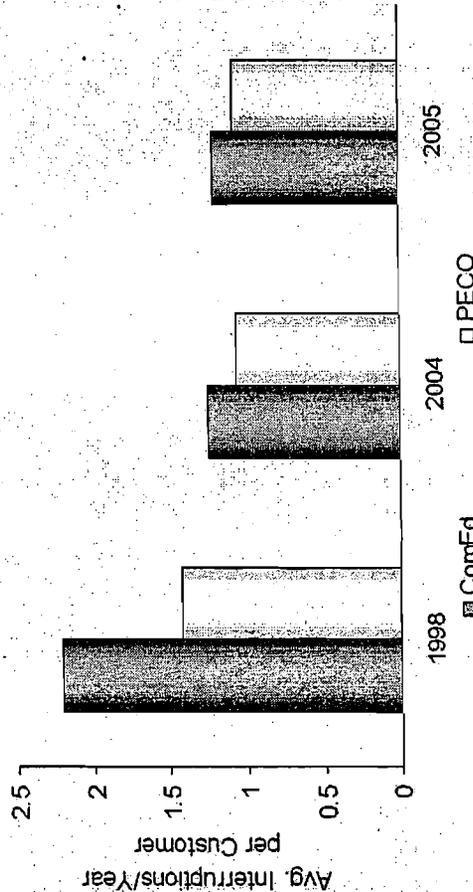
Value Driven Operations



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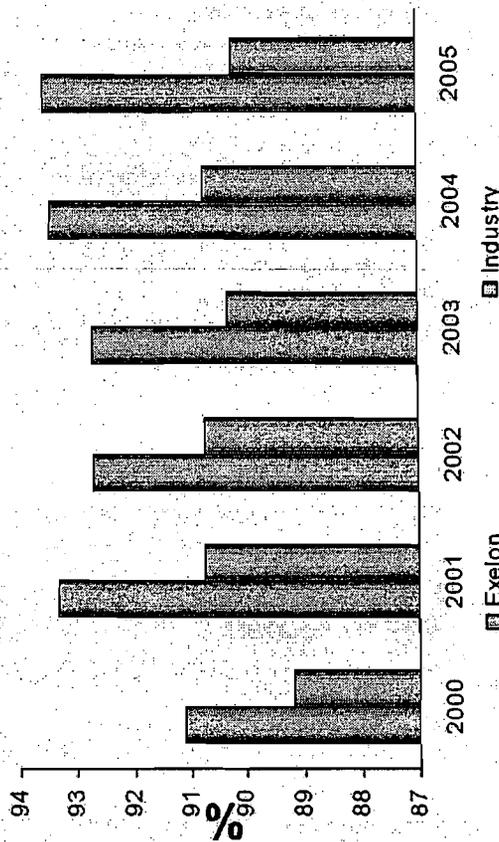
Keep the lights on and the gas flowing

Fewer Interruptions (Frequency)



Run the nuclear fleet at world-class levels

Nuclear Capacity Factor (2 Yr Avg)



Capitalize on environmental leadership and clean nuclear energy

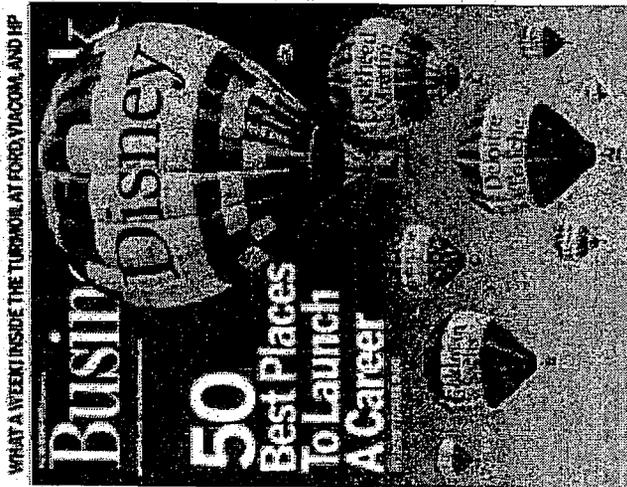


Dow Jones Sustainability Indexes
Member 2006/07

Value Driven Operations

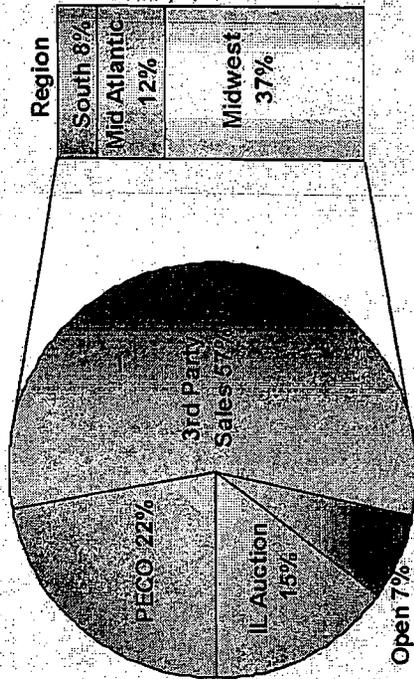
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Create a rewarding and challenging workplace

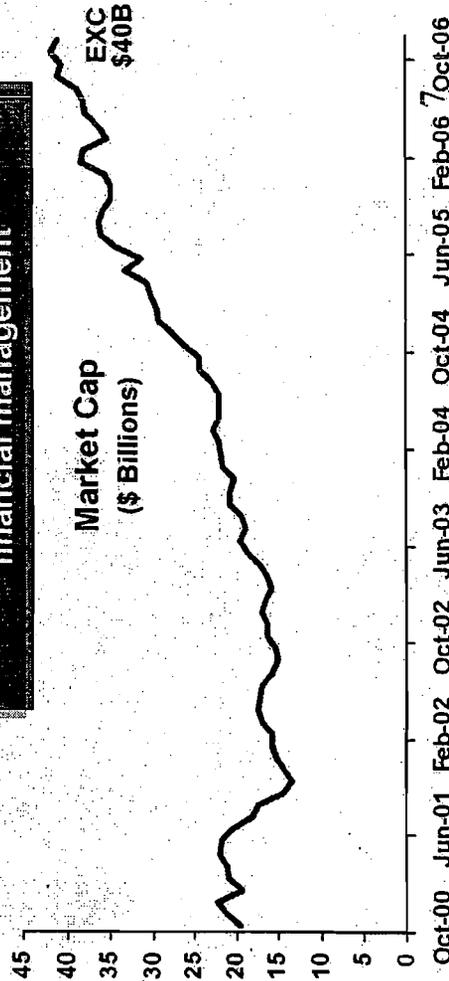


Enhance the value of our generation

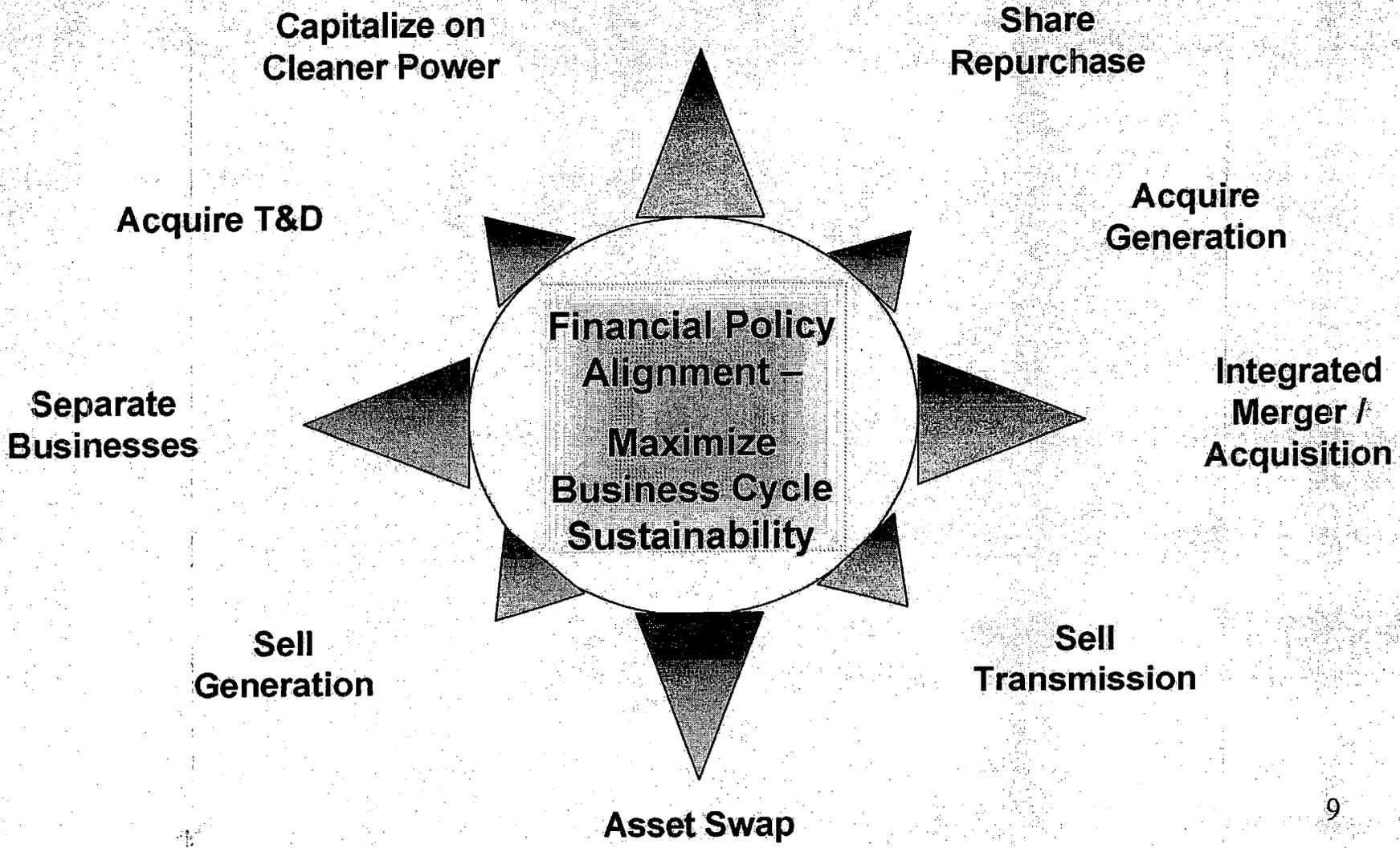
Total Projected 2007 Sales (GWh)



Build value through disciplined financial management



...And Build Long-Term Value



The Exelon Story – Value Driven

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ComEd
An Exelon Company

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

PECO
An Exelon Company

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

Exelon
Generation

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

Exelon

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

2006 Financial Performance

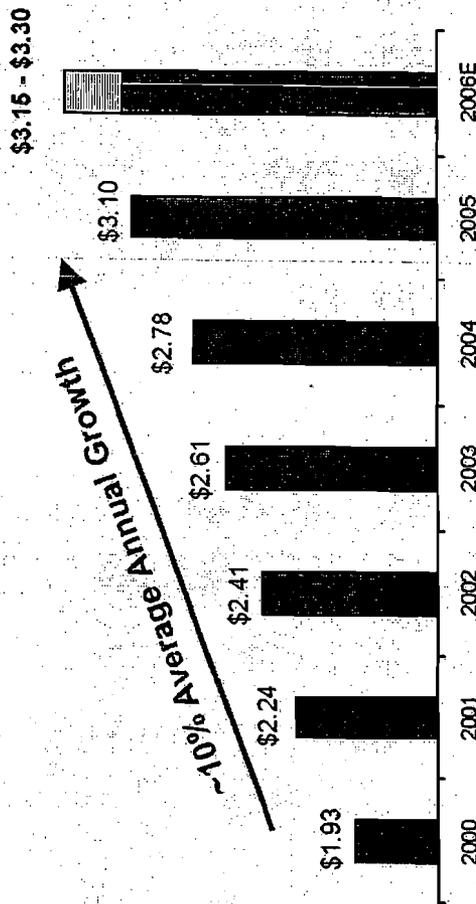


Operating EPS Guidance:
\$3.15 - \$3.30

YTD Sep-05 YTD Sep-06 2006 Guidance

Adjusted (non-GAAP) EPS			
Operating	\$2.37	\$2.50	\$3.15 - \$3.30
Weather Normalized ⁽¹⁾	\$2.27	\$2.53	

Historical Operating EPS



YTD Highlights

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

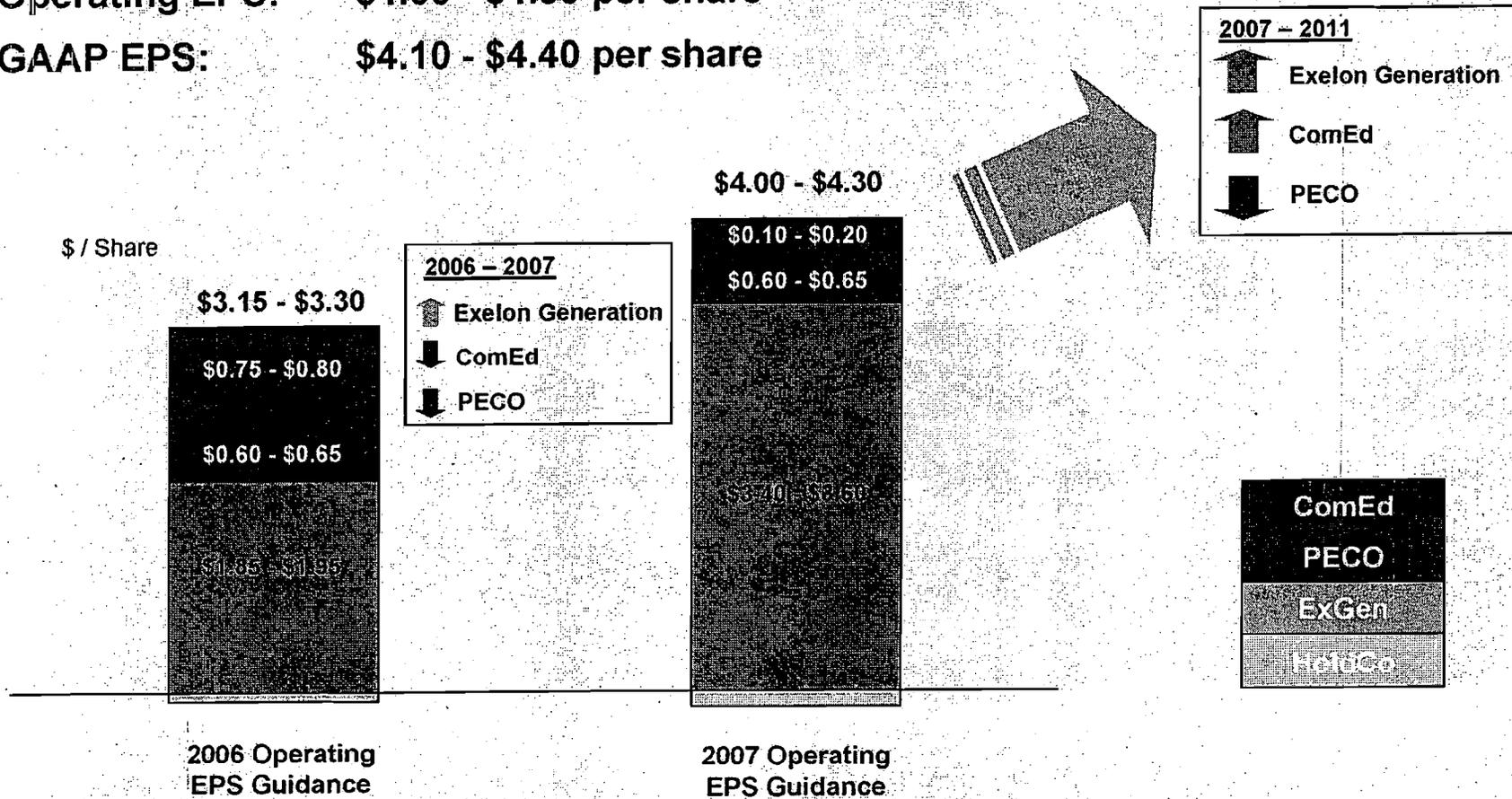
YTD 2006: 5% growth in operating earnings, 11% growth in weather-normalized operating earnings compared to 2005

(1) Excludes \$0.10 per share favorable impact versus normal in 2005, and \$0.03 per share unfavorable impact versus normal in 2006, based on Exelon models

2007 Earnings Guidance



Operating EPS: \$4.00 - \$4.30 per share
 GAAP EPS: \$4.10 - \$4.40 per share

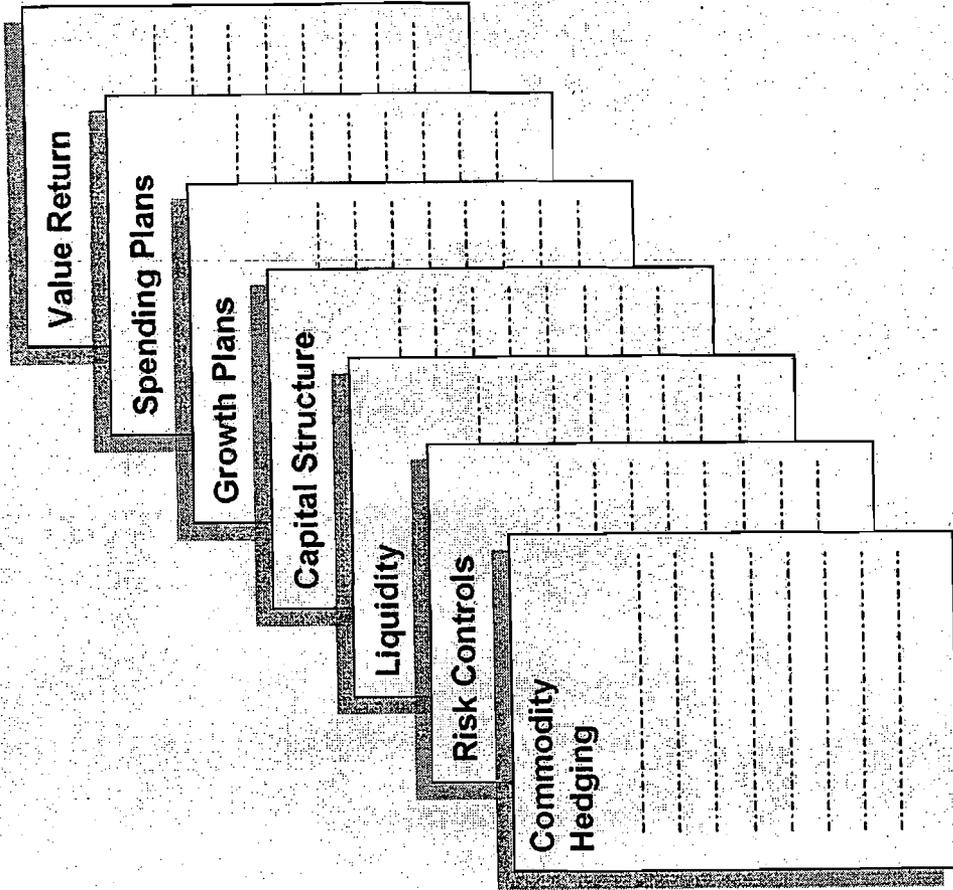
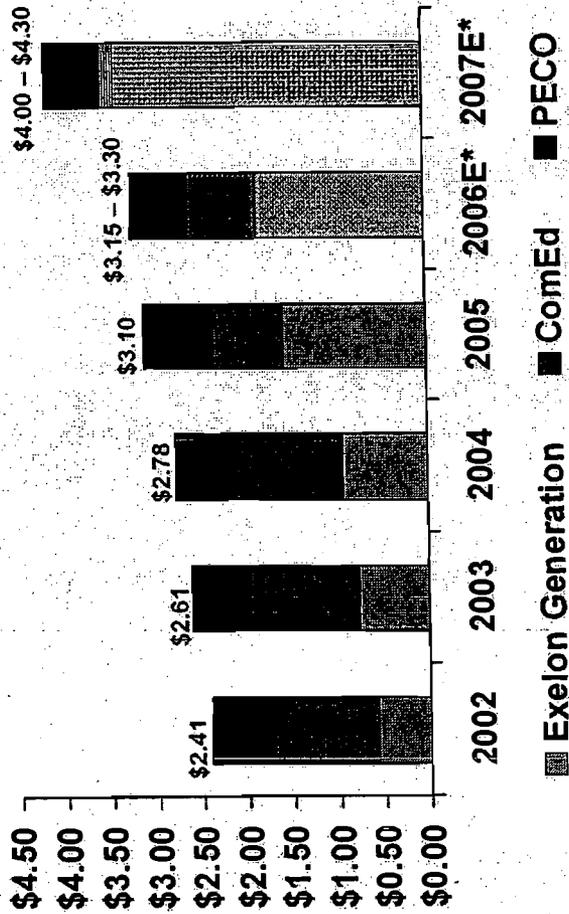


Exelon is expected to see robust earnings growth over next five years driven by Exelon Generation and ComEd's recovery

Strategic Policy Alignment



Composition of Earnings



Exelon's financial polices are aligned for its changing business mix

* Operating Earnings Guidance

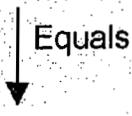
Value Return Framework



Free Cash Flow before Dividends and CapEx



Maintenance Capital and Committed Dividends



Available Cash and Balance Sheet Capacity

Monetize

Invest in Growth

Return Value via Share Repurchase, Increased Dividends

Strengthen Balance Sheet / Increase Financial Flexibility

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

Value Return Policy



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

✓ The new policy:

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

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

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

2007 Projected Sources and Uses of Cash

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

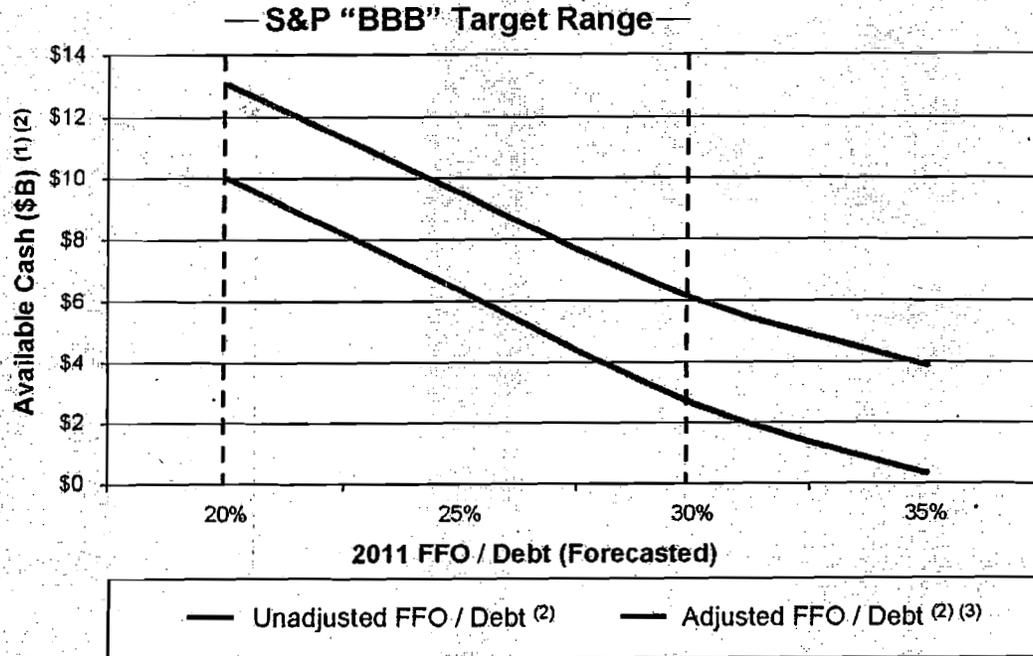
(1) Cash Flow from Operations = Net cash flows provided by operating activities less net cash flows used in investing activities other than capital expenditures

(2) Net Financing (excluding Dividends) = Net cash flows used in financing activities less dividend paid on common stock

(3) Assumes 2007 Dividend of \$1.76

(4) Includes cash flow activity from Holding Company and other corporate entities

2011 Balance Sheet Capacity (Illustrative)



Potential Uses of Available Cash

- Acquisitions or other growth opportunities
- Future unfunded liabilities
- Buffer against potentially lower commodity prices
- Share repurchases or other value return options

Exelon expects to create substantial incremental cash and borrowing capacity over the next five years, based on planning assumptions

(1) Available Cash = Cash Flow from Operations – CapEx – Dividends +/- Net Financings. Assumes annualized dividend of \$1.76 per share in 2007, growing 5% annually, actual amounts may vary
 (2) Assumes regulatory recovery plan at ComEd
 (3) Adjusted FFO / Debt includes: debt equivalents for purchase power agreements and unfunded pension and other postretirement benefits obligations and related imputed interest as shown in S&P write-up dated October 11, 2006

Key Messages



- Strong financial and operating performance in 2006
- Uniquely positioned low-cost generation business, driving continued strong earnings and cash flow growth through 2011
- Managing the transition to competitive markets in Illinois and Pennsylvania
- Executing regulatory recovery plan to put ComEd on a path toward appropriate returns and solid credit metrics
- Advancing an environmental strategy that leverages our carbon position

Key Messages (continued)

Exelon®

- Commitment to solid investment grade ratings, with increasingly strong cash flows and balance sheet
- Financial policies aligned for changing composition of earnings
- Committed to returning value to shareholders, while maintaining appropriate financial flexibility
- Experienced management team, steadfastly focused on delivering superior operating performance

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ComEd®

An Exelon Company

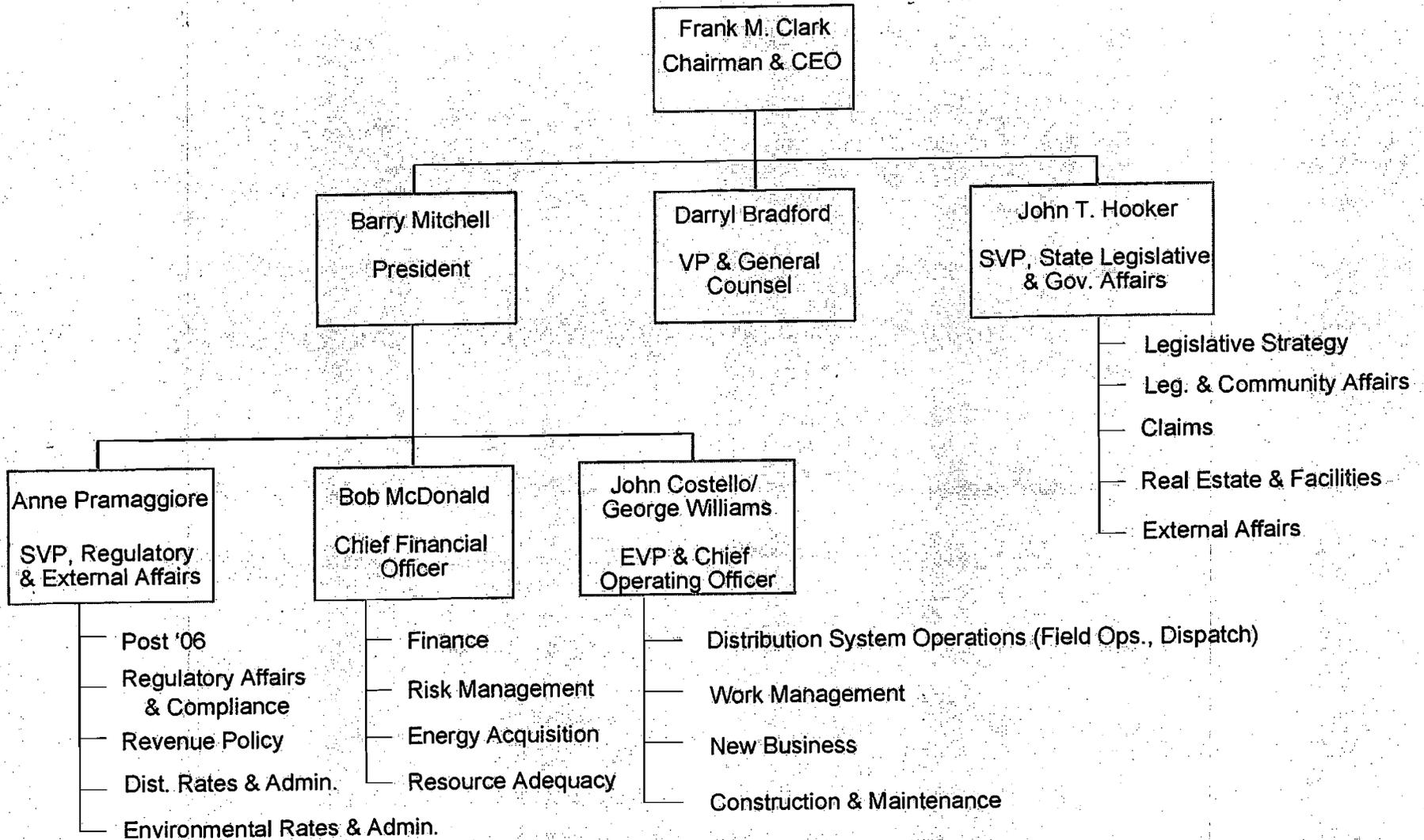
Key Messages

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CE 0004788

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

ComEd Organization Structure



ComEd senior management in place to maintain operations and establish direction

ComEd Board of Directors



Frank Clark – Chairman and Chief Executive Officer, ComEd

James W. Compton – President and Chief Executive Officer, Retired, Chicago Urban League

Sue Gin– Chairman and Chief Executive Officer, Flying Food Group, Inc. (Exelon board member)

Edgar D. Jannotta– Investment Banker, Chairman and Chairman of the Executive Committee, William Blair & Company, L.L.C. (Exelon board member)

Edward J. Mooney – Retired Delegeue General-North America, Suez Lyonnaise des Eaux

Jesse H. Ruiz – Partner in the Chicago office of Gardner Carton & Douglas LLP and Vice Chair of the firm’s Corporate and Securities Department

John W. Rogers, Jr.– Chairman & Chief Executive Officer, Ariel Capital Management, LLC/Ariel Mutual Funds (Exelon board member)

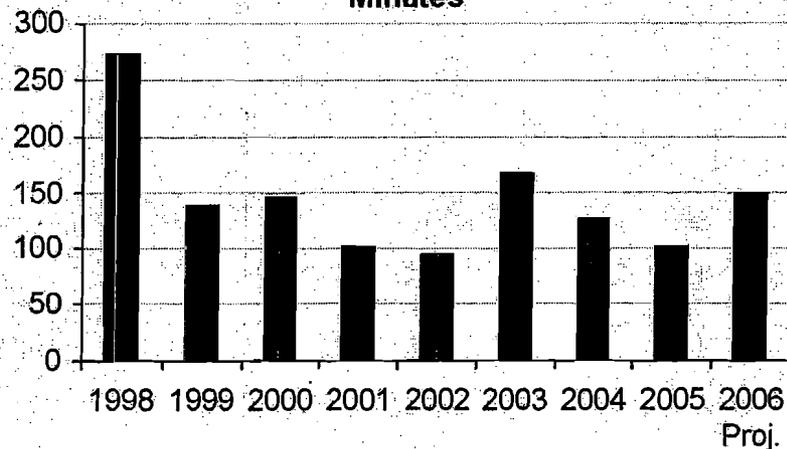
Richard L. Thomas– Retired Chairman, First Chicago NBD Corporation (Exelon board member)

Separate Board in place to provide governance

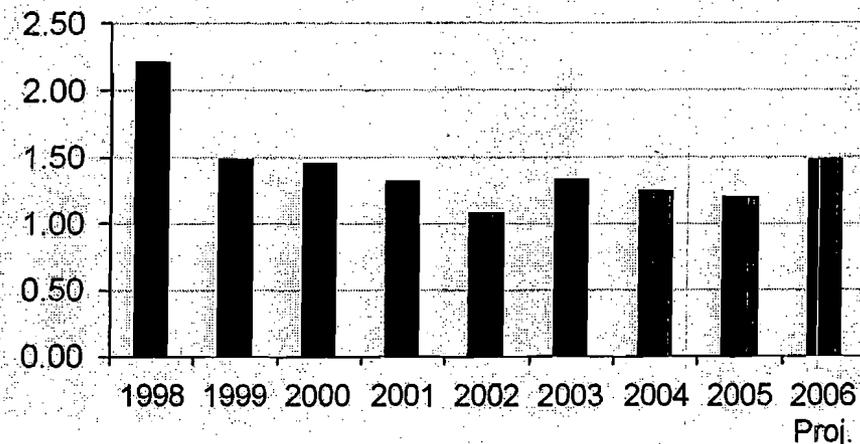
ComEd – Operational Overview

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Average Outage Duration Minutes



Average Outage Frequency



- Improving trend in outage duration and frequency from 1998 to 2005
 - Some weather issues in 2006 impacted the results
- Transmission reliability among the best in the nation
- System reliability for 2005 was in top quartile amongst peer group

Outage duration and frequency has improved dramatically from the late 1990's

Operations Update

Exelon®

CE 0004792

- Customer Satisfaction

The Company's customer satisfaction improvement initiative has produced positive results

- Residential customer satisfaction has improved 20% since 2000, as measured by the University of Michigan American Customer Satisfaction Index (ACSI).
- Business customer satisfaction ranks 4th of 13 energy companies in the Midwest Region, based on the 2006 J. D. Power Electric Utility Business Customer Satisfaction Study.
 - This represents substantial improvement from ComEd's 11th place standing in the 2005 Study.

Customer Satisfaction is strong despite all of the Illinois controversy

Operations Going Forward

Exelon®

- Distribution System Improvement Programs Focus on the Primary Outage Contributors
 - Vegetation Management – Implemented a hazard tree mitigation program and independent evaluation of tree-related outage causes in Q4 '06
 - Cable Replacement – Replaced approximately 30 miles of underground cable in 2006
 - Top Priority Circuit and Aerial Equipment – Program enhancements include focus on 34 kV worst-performing circuits and lightning protection upgrades in 2007
 - Automation/Sectionalizing – Accelerating implementation of 12 kV distribution line reclosers (75 units in 2007)

Regulatory Plan Summary



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

Phase I 2004 – 2006+	Phase II 2005 - 2008	Phase III 2006 - 2008+
<p>Develop and approve structures to pass through supply costs</p> <ul style="list-style-type: none"> • Procurement case pursued and approved • Auction run in September 2006 • Risks of achieving pass through still remain • ComEd CARE Plan to solidify regulatory framework 	<p>Re-establish revenue level commensurate with current spend</p> <ul style="list-style-type: none"> • Traditional distribution case filed in 2005 for rates effective January 2007 • Next distribution case to be filed in Spring 2007 that establishes revenues closer to current spend • Recover costs necessary for ComEd financial health and service reliability 	<p>Establish new regulatory environment with minimal regulatory lag and transparent business</p> <ul style="list-style-type: none"> • Maintaining an auction and a wires-only company will take constant vigilance • Achieving timely cost recovery may require revised regulatory model

Important ComEd Milestone: Purchased Power Cost Recovery

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

Distribution Case Update

Exelon®

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

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

- ICC order anticipated by year-end

Residential Rate Stabilization Case Update

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

Legislative Update

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

If Freeze Legislation Passes, ComEd Would Aggressively Pursue Legal Remedies

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

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Future Rate Cases

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