

Enhancing the Value of Our Generation

- ✓ Power Team optimizes the value of Exelon Generation's portfolio by utilizing its core strengths:
 - Industry Experience
 - Financial Discipline
 - Market Knowledge
 - Teamwork
 - Processes

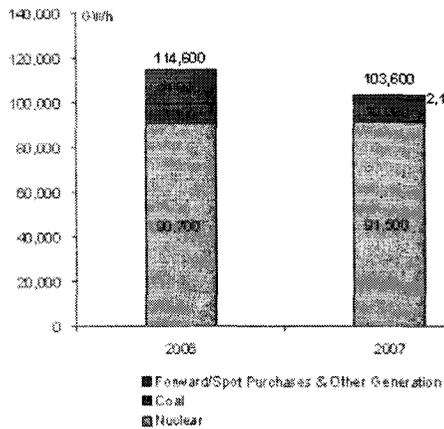
Power Team creates value by protecting the portfolio against downside risk, while capturing the upside and translating operational excellence into earnings

Appendix

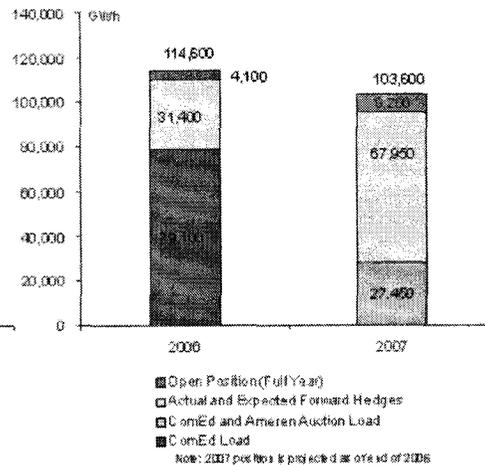


Midwest Portfolio Characteristics

Expected Midwest Supply

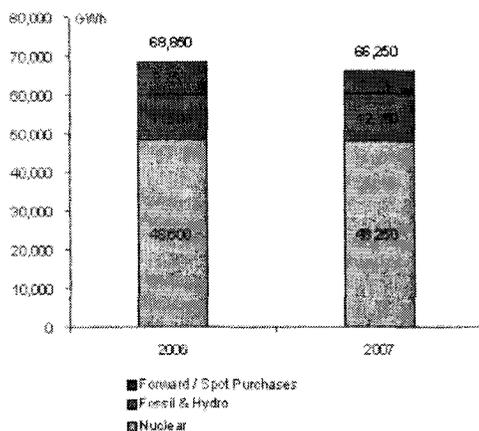


Expected Midwest Sales

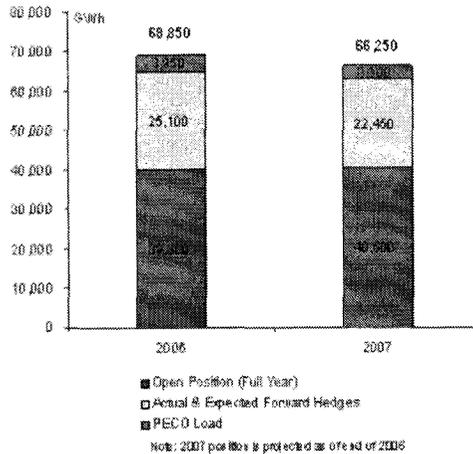


Mid-Atlantic Portfolio Characteristics

Expected Mid-Atlantic Supply

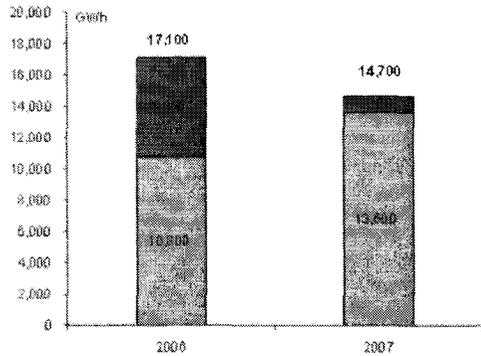


Expected Mid-Atlantic Sales



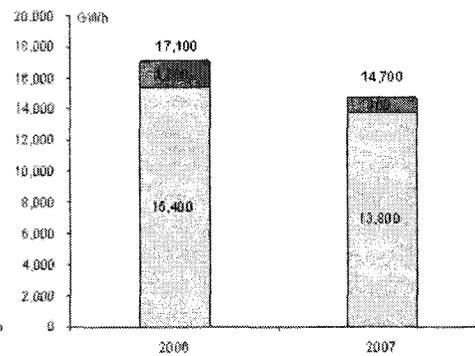
South Portfolio Characteristics

Expected South Supply



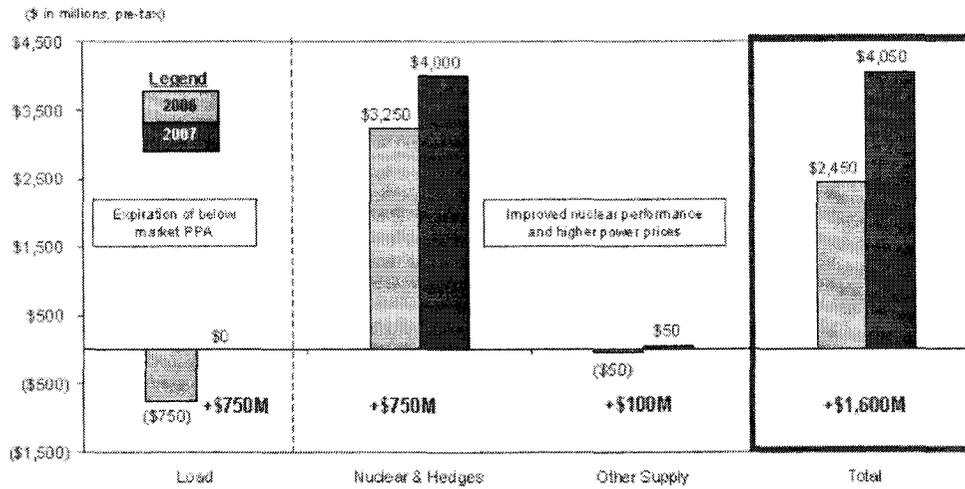
■ Forward / Spot Purchases
■ Generation

Expected South Sales



■ Open Position (Full Year)
■ Actual & Expected Forward Hedges
Note: 2007 portfolio is projected as of end of 2006

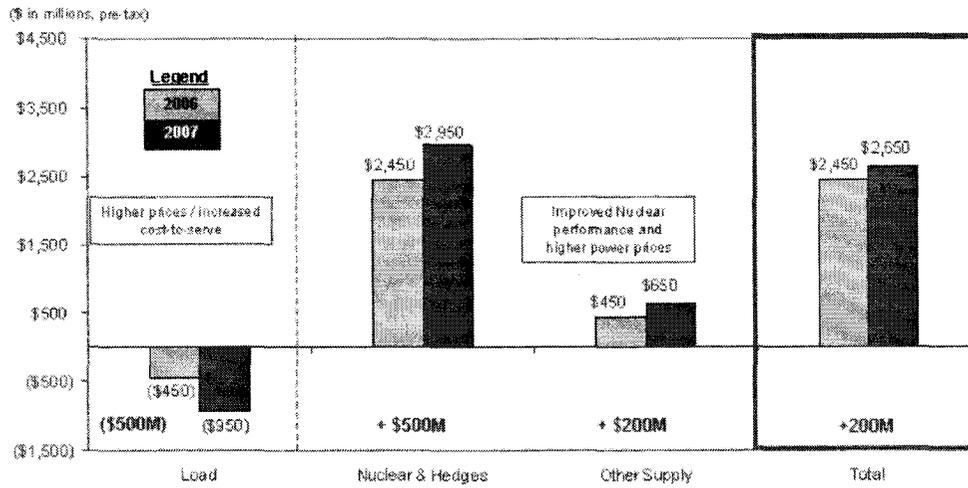
Midwest Revenue Net Fuel



Based on prices as of 1/1/07

Midwest Revenue Net Fuel Increase ('06-'07): ~\$1,600M

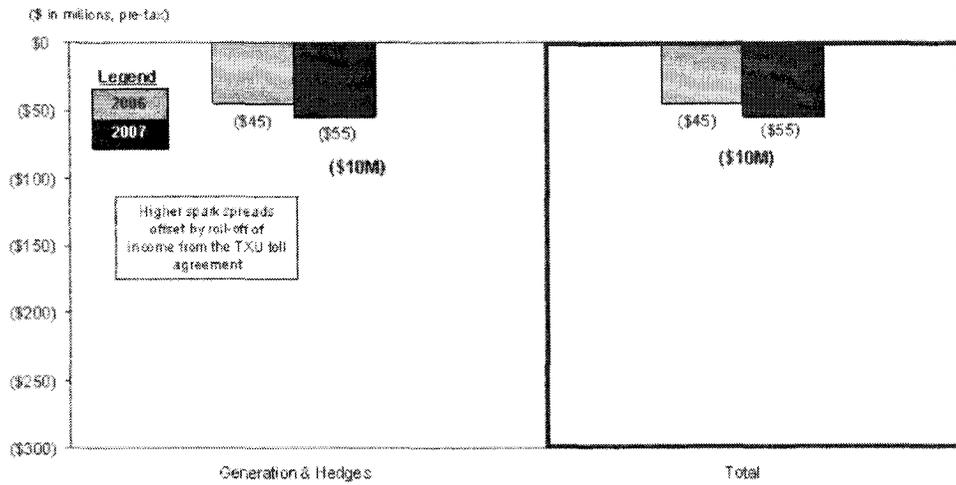
Mid-Atlantic Revenue Net Fuel



Based on prices as of 07/07/07

Mid-Atlantic RNF Increase ('06-'07): ~\$200M

South Revenue Net Fuel



Based on prices as of 1/1/07

Total Portfolio RNF Decrease ('06-'07): ~(\$10)M

Overall Illinois Auction Results

- ✓ 14 winning bidders for the ComEd products and 9 winning bidders for the Ameren products
- ✓ Exelon Generation won up to the 35% load cap for the ComEd products

Month	ComEd (CPP)				Total	Ameren (BOB)				Grand Total
	0 - 400 kW			400 kW - 3 MW		0 - 1 MW (Month)			> 1 MW	
	B-17	B-29	B-41	A-17		FP-17	FP-29	FP-41	LFP-17	
Ameren Energy					0					46
AEP	3			5	8				2	2
Connecticut		8	1	3	10					0
Constellation		3		22	25		10	10	12	40
DTE	3	4		3	10		3			3
Dynegy					9	24	4			28
Edison Mission	10	22			41					0
Energy America	4				4					0
ExGen		38	89	1	128				10	10
FPL	8			9	15					0
J. Aron & Co.	15	10			25	5				5
JP Morgan	27	4	1		32		7			7
Morgan Stanley	8			37	43				3	3
RPL	8	6	2		14					0
Sempra				8	8					0
Veris	3				3					0

Source: NERA Economic Consulting, December 2006

Reliability Pricing Model (RPM) Update

✓ **Timeline:**

- September 29th: RPM settlement reached in principle by the significant majority of parties and subsequently filed with FERC
- December 22nd: FERC ruling expected
- June 2007: Implementation by PJM

✓ **Key features of settlement:**

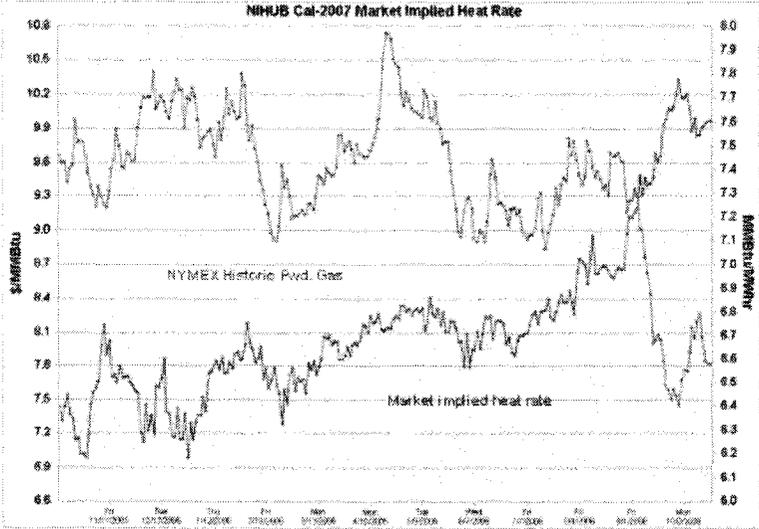
- 3-year forward capacity procurement through an auction
- Locational markets
- Demand curve

✓ **Benefits to Exelon Generation:**

- Locational markets in the East
- More consistent, predictable and transparent forward capacity prices

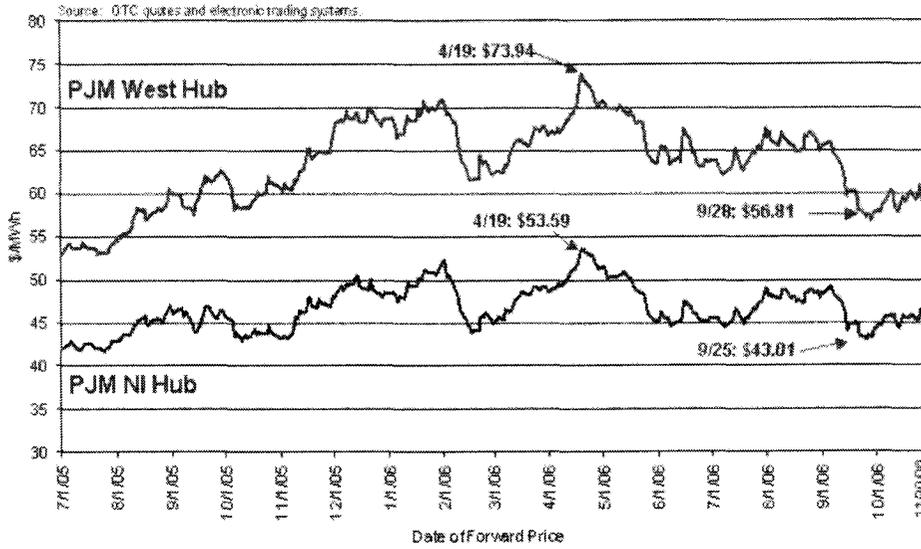
Generators (including Exelon Generation) are poised to benefit from the implementation of PJM's Reliability Pricing Model

Commodity Hedging Example



Power Team utilized put options in power and natural gas to smoothly transition to the load auction. The recent increase in market implied heat rates enhanced the value of our gas hedge.

2007 Around-the-Clock Historical Forward Prices

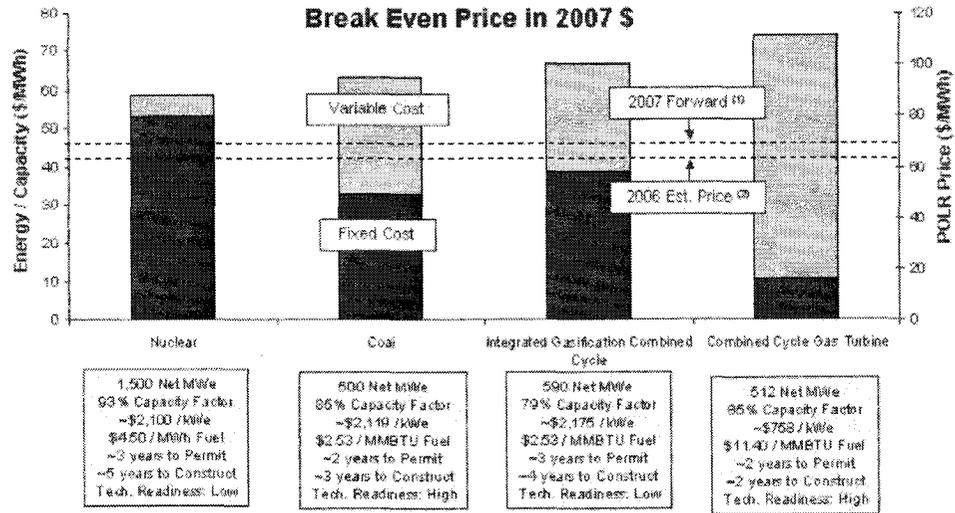


Current Market Prices

PRICES (as of November 30, 2006)	Units	2004 ¹	2005 ¹	2006 ⁵	2007 ⁶	2008 ⁶
PJM West Hub ATC	(\$/MWh)	42.35 ²	60.92 ²	52.30	61.24	61.83
PJM NHub ATC	(\$/MWh)	30.15 ²	46.39 ²	42.39	46.37	48.66
NEPOOL MASS Hub ATC	(\$/MWh)	52.13 ²	76.65 ²	61.12	78.46	78.79
ERCOT North On-Peak	(\$/MWh)	49.53 ³	76.90 ³	61.68	79.80	80.05
Henry Hub Natural Gas	(\$/MMBTU)	5.85 ⁴	8.85 ⁴	6.87	8.68	8.70
WTI Crude Oil	(\$/bbl)	41.48 ⁴	56.62 ⁴	65.83	67.16	69.91
PRB 8000	(\$/Ton)	5.97	8.06	13.04	9.80	11.90
NAPP 3.0	(\$/Ton)	60.25	52.42	43.68	43.75	44.75
ATC HEAT RATES (as of November 30, 2006)						
PJM West Hub / Telco M3	(MMBTU/MWh)	6.40	6.30	7.00	6.33	6.33
PJM NHub / Chicago City Gate	(MMBTU/MWh)	5.52	5.52	6.36	5.43	5.41
ERCOT North / Houston Ship Channel	(MMBTU/MWh)	7.53	8.21	8.31	8.30	8.20

1. 2004 and 2005 are actual settled prices.
2. Real Time LMP (Locational Marginal Price)
3. Next day over-the-counter market
4. Average NYMEX settle price
5. 2006 information is a combination of actual prices through November 30, 2006 and market prices for the balance of the year
6. 2007 and 2008 are forward market prices as of November 30, 2006

New Construction



ComEd Update

J. Barry Mitchell
President, ComEd



Key Messages

- ✓ **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**

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 wire-only company will take constant vigilance ▪ Achieving timely cost recovery may require revised regulatory model

Important ComEd Milestone: Purchased Power Cost Recovery

- ✓ 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

- ✓ **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

- ✓ **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

- ✓ 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
 - 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

- ✓ **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

Future Rate Cases

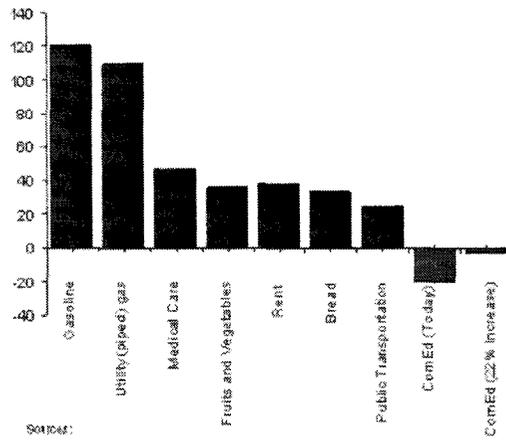
- ✓ **A transmission rate case is anticipated to be filed with FERC in early 2007 with rates effective later in 2007**
 - Increase request driven by major transmission project – West Loop TSS (approximately \$325 million investment)
 - Increase to total customer bill likely to be less than 1%
- ✓ **Distribution 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 2008 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

Appendix

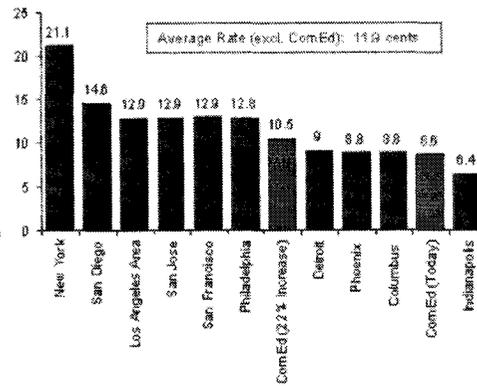


Adding Value for Illinois Consumers

10 Year Price Trends
(in % price increases 1996-2006)



Electricity Rates in Major Cities
(2005 Residential Rates, in cents per kWh)



Sources:

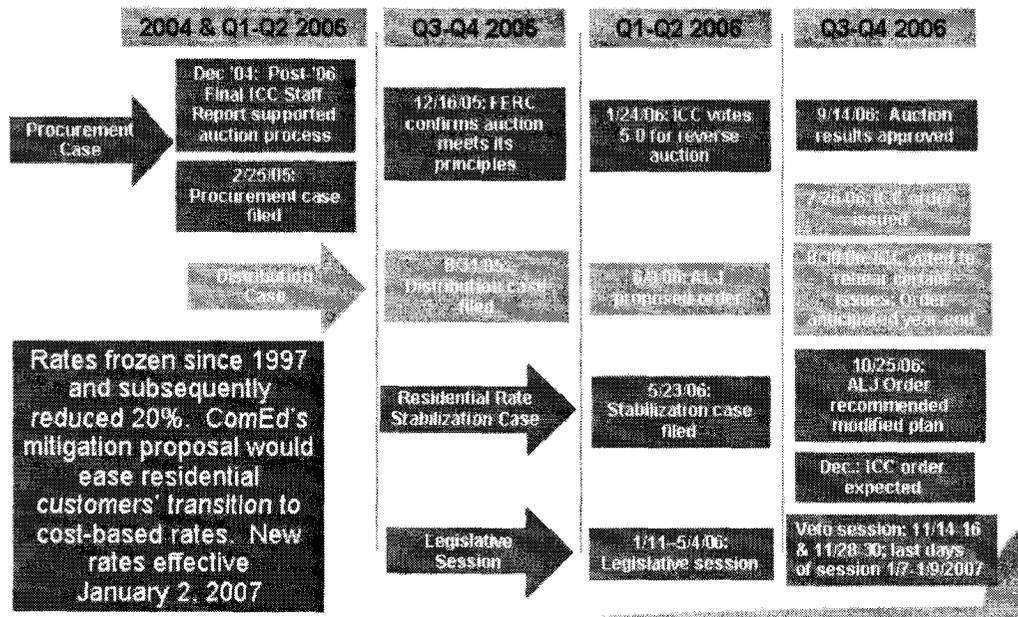
10-Year Price Trends: CPI, City Average for All Urban Consumers, Dept of Labor, Bureau of Labor Statistics

Electricity Rates in Major Cities: Edison Electric Institute (EEI) - Typical Bills and Average Rates Report, Winter 2006, pp. 10-11

Analysis represents the top 10 largest metropolitan areas served by investor-owned utilities (excluding Houston and Dallas)

CenterPoint Energy and TXU did not participate in the EEI study

ComEd Regulatory History and Calendar



ComEd – Rate Case Summary

While the Administrative Law Judges' (ALJs) Proposed Order provided for a revenue increase of \$164M compared to ComEd's original request of \$317M, the ICC Order provided for only an \$8M increase

(\$ in millions)	Revenue Requirement	Revenue Increase
Original request	\$1,895	\$317
Final position – ComEd brief	\$1,857	(\$38)
ROE @ 10.045% / Capital Structure @ 42.86% equity	\$1,732	(\$125)
Pension asset	\$1,662	(\$70)
Administrative & General expenses	\$1,601	(\$61)
ComEd incentive compensation	\$1,591	(\$10)
Other ICC adjustments	\$1,586	(\$5)
Approved increase in distribution rate revenue		\$8M

ComEd – Auction Process

September 5 – 8, 2006

Conduct Auction

- NERA Economic Consulting was the Auction Manager under the oversight of the ICC Staff
- The auction was conducted in rounds for which the Auction Manager announced a price for each product
- Bidders bid for number of tranches they would serve for each product at the announced prices
- Bidders holding final bids when auction closed were the winners

September 8 – January 2, 2007

Post Auction Processes

- On 9/12 (within 2 business days of auction close), the Auction Manager and ICC Staff issued confidential reports to the ICC
- On 9/14 (within 5 business days of auction close), the ICC approved the auction for fixed-price customers
- On 9/15 (within 5 business days of auction close), NERA announced clearing prices and winning suppliers
- On 9/20 (within 3 business days from the date the Auction Manager released prices and bidder names), ComEd signed Supplier Forward Contracts with winning suppliers
- On 9/21, ComEd filed compliance tariffs with final retail rates
- On 12/6, Auction Manager and ICC Staff submitted public report with winners and volumes
- Power flows on 1/1/07
- Rates effective on 1/2/07