(B) no event has occurred and is continuing, or would result from the Proposed Borrowing or from the application of the proceeds therefrom, that constitutes an Event of Default or Unmatured Event of Default; and

(C) after giving effect to the Proposed Borrowing, the undersigned will not have exceeded any limitation on its ability to incur indebtedness (including any limitation imposed by any governmental or regulatory authority).

Very truly yours,

Commonwealth Edison Company

By ______________________________
Name:
Title:

EXHIBIT C

FORM OF CONSENT TO BORROWING

_____________________, 20____

Please refer to the Credit Agreement, dated as of October 19, 2012 among Commonwealth Edison Company, various financial institutions and JPMorgan Chase Bank, N.A., as Administrative Agent (as amended, modified or supplemented from time to time, the "Credit Agreement"). Capitalized terms used but not defined herein have the respective meanings given thereto in the Credit Agreement.

Pursuant to Section 3.02 of the Credit Agreement, the undersigned [(a)] consents to a Borrowing in the aggregate amount of $[ ] on [date] [and (b) agrees that such Borrowing may consist of Eurodollar Rate Advances].

The forgoing consent and agreement shall become effective when the Administrative Agent has received counterparts hereof signed by all Lenders.

[Lender]

By ____________________________________
Name:
Title:

EXHIBIT D

FORM OF OPINION LETTER OF SIDLEY AUSTIN LLP

[To be inserted.]

EXHIBIT E

FORM OF ANNUAL AND QUARTERLY COMPLIANCE CERTIFICATE

____________________, 20____

Pursuant to the Credit Agreement, dated as of October 19, 2012, among Commonwealth Edison Company (the "Borrower"), various financial institutions and JPMorgan Chase Bank, N.A., as Administrative Agent (as amended, modified or supplemented from time to time, the "Credit Agreement"), the undersigned, being ____________________ of the Borrower, hereby certifies on behalf of the Borrower as follows:

1. [Delivered] [Posted concurrently]* herewith are the financial statements prepared pursuant to Section 5.01(b)[(ii)/(iii)] of the Credit Agreement for the fiscal ________ ended __________, 20__. All such financial statements comply with the applicable requirements of the Credit Agreement.

*Applicable language to be used based on method of delivery.

2. Schedule I hereto sets forth in reasonable detail the information and calculations necessary to establish the Borrower's compliance with the provisions of Section 5.02(c) of the Credit Agreement as of the end of the fiscal period referred to in paragraph 1 above.

3. (Check one and only one:)

___ No Event of Default or Unmatured Event of Default has occurred and is continuing.

___ An Event of Default or Unmatured Event of Default has occurred and is continuing, and the document(s) attached hereto as Schedule II specify in detail the nature and period of existence of such Event of Default or Unmatured Event of Default as well as any and all actions with respect thereto taken or contemplated to be taken by the Borrower.

4. The undersigned has personally reviewed the Credit Agreement, and this certificate was based on an examination made by or under the supervision of the undersigned sufficient to assure that this certificate is accurate.

5. Capitalized terms used in this certificate and not otherwise defined shall have the meanings given in the Credit Agreement.

COMMONWEALTH EDISON COMPANY

By_______________________________
Name: ____________________________
Title: ____________________________

Date:_______________________

Commonwealth Edison Company
Embedded Cost of Long-term Debt Work Papers
Year Ending December 31, 2012

Line No.	Debt, Issue Type Coupon Rate[1,2] (A)		Date Reacquired (B)	Amortization Period End Date (C)	Principal of Debt Reacquired (D)	Call Premium (E)	Net Gain or (Net Loss) (F)	Balance as **12/31/2012** (G)	Annual Amortization (H)
1	**Unamortized Loss on Reacquired Debt**								
2	**First Mortgage Bonds**								
3	14.250%	Series 46	11/24/87	04/15/15	$ 100,000,000	$ 3,820,000	$ (4,690,683)	$ 160,096	$ (69,868)
4	15.375%	Series 47	11/24/87	04/15/15	100,000,000	12,410,000	(13,618,887)	$ 464,833	(202,851)
5	13.000%	Series 48	03/22/88	04/15/13	150,000,000	14,760,000	(17,231,562)	$ 119,450	(409,857)
6	17.500%	Series 44	05/24/88	04/15/15	47,315,000	2,122,000	(2,161,698)	$ 43,051	(18,788)
7	12.250%	Series 50	11/21/88	04/15/15	100,000,000	3,500,000	(3,839,210)	$ 78,754	(34,370)
8	13.375%	Series 51	11/21/88	04/15/15	83,650,000	8,802,000	(9,670,777)	**$ 198,392**	(86,576)
9	12.000%	Series 66	03/23/93	04/15/15	100,000,000	9,000,000	(9,791,995)	$ 813,502	(355,009)
10	11.125%	Series 71	05/01/93	04/15/15	125,000,000	9,612,500	(11,593,775)	$ 966,605	(421,822)
11	10.500%	Series 56	05/27/93	04/15/15	150,000,000	9,750,000	(11,536,825)	$ 970,381	(423,469)
12	10.250%	Series 67	06/07/93	04/15/13	200,000,000	14,260,000	(17,087,634)	$ 143,391	(492,174)
13	8.750%	Series 30	08/12/93	07/01/13	125,000,000	4,400,000	(4,656,080)	$ 40,457	(80,913)
14	9.125%	Series 38	08/12/93	07/01/13	250,000,000	10,825,000	(12,880,562)	$ 111,919	(223,838)
15	10.375%	1985	12/14/94	03/01/20	30,000,000	600,000	(1,615,843)	$ 263,932	(36,817)
16	10.625%	1985	12/14/94	03/01/20	111,000,000	2,200,000	(6,825,849)	$ 200,575	(27,975)
17	10.625%	1985	12/14/94	03/01/17				$ 961,046	(230,552)
18									
19	9.875%	Series 75	11/21/01	03/15/12					
20	8.375%	Series 86	09/16/02	02/01/33		3,425,000		2,365,548	(117,744)
21	7.625%	Series 92	02/28/02	03/15/12					
22	7.625%	Series 92	08/25/04	**04/15/12**	**65,000,000**		**(17,067,050)**	**578,823**	**(1,974,476)**
23	7.625%	Series 92	10/15/04	**04/15/12**	**25,000,000**		**(6,504,261)**	**224,216**	**(764,837)**
24	7.625%	Series 92	11/26/04	**04/15/12**	**3,500,000**		**(868,270)**	**30,337**	**(103,501)**
25	7.500%	Series 94	02/28/02	03/15/12					
26	7.500%	Series 94	08/25/04	07/01/13	20,000,000	4,486,200	(5,012,259)	285,354	(566,050)
27	5.850%	Series 94C	08/26/04	01/15/14	3,000,000	410,160	(611,534)	68,125	(65,095)
28	8.625%	Series 81	03/27/02	03/15/12					
29	8.500%	Series 84	07/15/02	03/15/12					
30	8.375%	Series 88	03/18/03	04/15/15	235,950,000	9,114,749	(12,244,541)	1,539,068	(671,642)
31	8.000%	Series 91	04/15/03	04/15/15	160,000,000	5,862,400	(11,858,267)	1,490,516	(650,454)
32	6.150%	Series 98	08/06/04	03/15/12					
33	6.150%	Series 98	08/25/04	03/15/12					
34	5.875%	Series 100	07/27/04	02/01/33	11,400,000	(185,592)	(788,382)	555,483	(27,627)
35	5.875%	Series 100	08/06/04	02/01/33	40,000,000	866,000	(4,283,438)	3,020,960	(150,246)
36	5.875%	Series 100	08/25/04	02/01/33	45,000,000	2,611,350	(6,455,972)	4,561,509	(226,864)
37	4.700%	Series 101	08/06/04	04/15/15	85,000,000	(499,800)	(8,553,071)	1,833,736	(799,660)
38	4.700%	Series 101	08/25/04	04/15/15	50,000,000	793,000	(6,118,209)	1,318,135	(574,812)
39	1.950%	Series 111	10/12/11	09/01/16	80,148,600	-	(171,078)	128,647	(34,796)
40	3.400%	Series 112	10/12/11	09/01/21	110,681,400	-	(236,251)	207,200	(23,823)
41									
42	**Interest Rate Swap Settlement[3]**			03/15/12					
43	**Interest Rate Swap Settlement[3]**			03/15/12					
44	**Interest Rate Swap Settlement[3]**			02/01/33			21,539,444	10,433,439	(519,507)
45	**Interest Rate Swap Settlement[3]**			04/15/15			8,249,000	1,033,338	(450,911)
46	**Interest Rate Swap Settlement[3]**			07/31/20			4,246,042	3,221,095	(424,604)
47									
48	**Sinking Fund Debentures**								
49	10.000%	Series 4	04/01/92	03/15/12					
50	**Subordinated Deferrable Interest Notes and Senior Notes**								
51	8.480%		03/20/03	03/15/33	206,190,000	-	(20,228,911)	13,626,382	(674,297)
52	6.950%		08/06/04	07/15/18	60,000,000	11,509,200	(16,568,486)	6,587,040	(1,187,880)
53	6.950%		08/25/04	07/15/18	25,000,000	5,516,000	(7,624,035)	3,042,398	(548,654)
54	**Pollution Control Obligations**								
55	11.750%	Joliet 1981	08/01/91	04/15/13	25,000,000	750,000	(1,424,316)	17,285	(59,296)
56	11.750%	Pekin 1981	08/01/91	04/15/13	25,000,000	750,000	(1,447,131)	17,563	(60,245)
57	11.500%	Waukegan 1981	08/01/91	04/15/13	10,000,000	300,000	(458,856)	5,570	(19,102)
58	10.125%	IEFFA 1980	09/03/91	04/15/13	15,000,000	375,000	(563,470)	6,870	(23,563)
59	10.375%	IEFFA 1980	09/03/91	04/15/13	25,000,000	625,000	(1,067,250)	13,010	(44,631)
60	11.375%	IEFFA 1984	11/21/94	11/01/19	42,200,000	844,000	(1,687,652)	397,964	(58,192)
61									
62	5.875%	1977	05/15/03	05/15/17	40,000,000	-	(599,277)	187,269	(42,805)
63	Variable	1994B	09/30/03	11/01/19	42,200,000	-	(174,123)	74,019	(10,821)
64	Variable	1994C	11/28/03	03/01/20	50,000,000	-	(79,616)	35,116	(4,899)
65	Variable	1994D	03/21/05	03/01/17	91,000,000	-	(4,524,506)	1,576,893	(378,299)
66	Variable	2005	06/13/08	03/01/18	91,000,000		(961,559)	459,771	(110,408)
67	Variable	2003C	06/18/08	03/01/20	50,000,000		(795,632)	487,573	(67,954)
68	Variable	2002	07/01/08	04/15/13	100,000,000		(583,461)	35,632	(121,847)
69	Variable	2003B	07/08/08	11/01/19	42,200,000		(222,142)	134,253	(19,632)
70	Variable	2003B	07/08/08	05/01/21			(435,433)	283,293	(33,983)
71	Variable	2003A	07/10/08	05/15/17	40,000,000		(566,327)	280,063	(64,021)
72	Variable	2003A	07/10/08	05/01/21			(332,768)	216,592	(25,981)
73	Variable	2003D	07/29/08	01/15/14	19,975,000		(204,456)	39,110	(37,414)
74	Variable	2003D	07/29/08	05/01/21			(112,292)	73,387	(8,803)
75	Variable	2008D	05/28/09	03/01/20	50,000,000		(546,292)	361,393	(50,427)
76	Variable	2008F	05/28/09	03/01/17	91,000,000		(677,508)	360,376	(86,491)
77	Variable	2008E	05/28/09	05/01/21	49,830,000		(566,726)	393,560	(47,227)
78	**Subordinated Deferrable Interest Debentures**								
79	8.500%	ComEd Financing II	03/07/08	01/15/38	154,640,000		(11,579,481)	9,722,242	(387,598)
80	**Write-off**	**1997 Unamoritized Loss**					2,240,678	(3,836,573)	2,178,239
81	TOTAL					$ 153,614,167	$ (245,730,505)	**$ 73,029,964**	**$ (13,257,759)**
82									
83	**Unamortized Gain on Reacquired Debt**								
84	**First Mortgage Bonds**								
85	7.250%		06/04/02	04/15/13	100,000,000	1,000,000	259,689	**(6,866)**	23,856
86	**Interest Rate Swap Settlement[3]**			07/31/20			**165,326**	**(125,418)**	16,533
87	TOTAL					$ 1,000,000	$ 425,015	**$ (132,284)**	**$ 40,389**

Notes:
(1) Listing sourced from Form 21 ILCC, Pages 24a-24c.
(2) Refunded with the proceeds from issuance of long-term debt with the maturity dates on Page 2 of WPD-3.
(3) The unamortized losses and gains on interest rate swap settlements are reported in FERC accounts 182.3 (Other Regulatory Assets)
and 254 (Other Regulatory Liabilities), respectively.

Commonwealth Edison Company
Embedded Cost of Long-term Debt Work Papers
Year Ending December 31, 2012

Line No.	Debt, Issue Type Coupon Rate[1] (A)		Maturity Date(s) of New Debt Issues (B)						
	REFUNDING ISSUES								
1	**First Mortgage Bonds**								
2	14.250%	Series 46	Feb-2023	Apr-2015	(2)				
3	15.375%	Series 47	Feb-2023	Apr-2015	(2)				
4	13.000%	Series 48	Apr-2013						
5	17.500%	Series 44	Mar-1998	Feb-2023		Apr-2015	(2)		
6	12.250%	Series 50	Mar-1998	Feb-2023		Apr-2015	(2)		
7	13.375%	Series 51	Mar-1998	Feb-2023		Apr-2015	(2)		
8	12.000%	Series 66	Feb-2023	Apr-2015	(2)				
9	11.125%	Series 71	Feb-2023	Apr-2015	(2)				
10	10.500%	Series 56	Apr-2023	Apr-2015	(2)				
11	10.250%	Series 67	Apr-2013						
12	8.750%	Series 30	Jul-2005	Jul-2013					
13	9.125%	Series 38	Jul-2005	Jul-2013					
14	10.375%	1985	Mar-2009	Mar-2020	(2)				
15	10.625%	1985	Mar-2009	Mar-2015		Mar-2020		Mar-2017	(2)
16	9.875%	Series 75	Mar-2012						
17	8.625%	Series 81	Mar-2012						
18	8.500%	Series 84	Mar-2012						
19	8.375%	Series 86	Feb-2033						
20	7.625%	Series 92	Mar-2012						
21	7.500%	Series 94	Mar-2012	Jul-2013					
22	7.250%	1991	Apr-2013						
23	8.375%	Series 88	Apr-2015						
24	8.000%	Series 91	Apr-2015						
25	**Sinking Fund Debentures**								
26	10.000%	Series 4	Feb-1997	Feb-2022		Mar-2012	(2)		
27	**Subordinated Deferrable Interest Notes**								
28	8.480%		Mar-2033						
29	**Subordinated Deferrable Interest Debentures**								
30	8.500%		Jan-2038						
31	**Pollution Control Obligations**								
32	11.750%	Joliet Series 1981	Jun-2011	Apr-2013	(2)				
33	11.750%	Pekin Series 1981	Jun-2011	Apr-2013	(2)				
34	11.500%	Wkg Series 1981	Jun-2011	Apr-2013	(2)				
35	10.125%	IEFFA Series '80	Jun-2011	Apr-2013	(2)				
36	10.375%	IEFFA Series '80	Jun-2011	Apr-2013	(2)				
37	8.375%	IEFFA Series '79	Jan-2004	Jan-2009		Feb-2011	(2)		
38	8.500%	IEFFA Series '79	Jan-2004	Jan-2009		Feb-2011	(2)		
39	9.750%	IEFFA Series '83	Jan-2004	Jan-2009		Feb-2011	(2)		
40	11.375%	IEFFA Series '84	Oct-2014	Nov-2019	(2)				
41	5.875%	IDFA Series '79	May-2017						
42	Variable	IDFA 1994B	Nov-2019						
43	Variable	IDFA 1994C	Mar-2020						
44	Variable	IDFA 1994D	Mar-2017						
45	Variable	IFA Series 2005	Mar-2018						
46	Variable	IDFA Series 2003 C	Mar-2020						
47	Variable	IDFA Series 2003 B	Nov-2019	May-2021					
48	Variable	IDFA Series 2003 A	May-2017	May-2021					
49	Variable	IDFA Series 2003 D	Jan-2014	May-2021					
50	Variable	IFA Series 2008 D	Mar-2020	Sep-2016	Sep-2021				
51	Variable	IFA Series 2008 F	Mar-2017	Sep-2016	Sep-2021				
52	Variable	IFA Series 2008 E	May-2021	Sep-2016	Sep-2021				
53									
54	**The following debt items were not refinanced:**								
55			Original Maturity Date of Debt Issues						
56	First Mortgage Bonds								
57	7.625%	Series 92	Mar-2012						
58	7.500%	Series 94	Jul-2013						
59	5.850%	Series 94C	Jan-2014						
60	6.150%	Series 98	Mar-2012						
61	5.875%	Series 100	Feb-2033						
62	4.700%	Series 101	Apr-2015						
63	Pollution Control Obligations								
64	Variable	IDFA Series 2002	Apr-2013						
65	Notes -								
66	6.950%		Jul-2018						

Notes:
(1) Listing sourced from Form 21 ILCC, Pages 24d and 24e.
(2) The amortization period has changed due to the refunding of the long-term debt originally issued to refund this issue. Maturity date is that of the new long-term debt issue.

Commonwealth Edison Company

Schedule D-7 Embedded Cost Of Long Term Debt

Years 2008 - 2012

(In Dollars)

Line No.	Description	FERC Form 1 Source	2012	2011	2010	2009	2008
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	Long-Term Debt Outstanding CR / (DR)						
2	Long-Term Debt Outstanding (Accts 221 - 224)	p. 112, l. 18 - 21	$ 5,793,786,000	$ 5,893,786,000	$ 5,231,216,000	$ 4,944,016,000	$ 4,961,116,000
3	Unamortized Premium on Long-Term Debt (Acct 225)	p. 112, l. 22	854,125	1,164,491	1,761,174	2,357,857	2,954,541
4	Unamortized Discount on Long-Term Debt (Acct 226)	p. 112, l. 23	(21,181,829)	(23,327,102)	(25,787,502)	(28,842,483)	(32,015,129)
5	Unamortized Gain on Reacquired Debt (Acct 257)	p. 113	6,866	30,724	54,580	78,436	102,292
6	Unamortized Loss on Reacquired Debt (Acct 189)	p. 111	58,342,092	71,594,893	89,630,249	(109,689,181)	(128,874,467)
7	Loss on Settled Cash Flow Swaps (Acct 182.3)	p. 232, l. 8	(14,687,871)	(16,243,849)	(18,411,455)	(16,084,155)	(17,827,158)
8	Gain on Settled Cash Flow Swaps (Acct 254)	p. 278, l. 3	125,418	141,951	158,484	496,562	1,291,060
9	Unamortized Debt Expenses (Acct 181)	p. 111	29,211,484	29,959,231	(27,238,293)	(26,404,295)	(30,541,677)
10	Net Long-Term Debt Outstanding		$ 5,846,456,285	$ 5,957,106,339	$ 5,251,383,237	$ 4,765,928,741	$ 4,756,205,462
11	Cost of Long-Term Debt DR / (CR)		2012	2011	2010	2009	2008
12	Interest on Long-Term Debt (Acct 427 / 430)	p. 256 - 257, col. (I)	$ 282,861,311	$ 307,737,280	$ 288,723,797	$ 284,485,024	$ 297,945,717
13	Amortization of Debt Discount and Expense (Acct 428)	p. 117, l. 63	7,106,514	11,262,014	9,853,063	7,694,546	7,521,711
14	Amortization of Loss on Reacquired Debt (Acct 428.1)	p. 117, l. 64	13,252,802	18,442,686	20,058,932	20,975,813	21,113,675
15	Amortization of Premium on Debt (Acct 429)	p. 117, l. 65	(310,366)	(596,683)	(596,683)	(596,683)	(762,226)
16	Amortization of Gain on Reacquired Debt (Acct 429.1)	p. 117, l. 66	23,856	23,856	(23,856)	(23,856)	(23,856)
17	Total Cost of Long-Term Debt		$ 302,934,117	$ 336,869,153	$ 318,015,253	$ 312,534,844	$ 325,795,021
18	Embedded Cost of Long-Term Debt Rate (l. 18 / l. 11) (a)		5.18%	5.65%	6.06%	6.56%	6.85%

Notes:

(a) Not meaningful for ratemaking purposes due to differences between these amounts and those in the ILCC Form 21.

Commonwealth Edison Company
Schedule D-7 - Estimated Return on Rate Base (a)
Years 2008 - 2012
(In Dollars)

Line No.	Description	FERC Form 1 Source	2012	2011	2010		2009		2008	
	(A)	(B)	(C)	(D)	(E)		(F)		(G)	
1	Rate Base (Unadjusted) (a)									
2	Plant in Service	p. 200, l. 3	$19,220,833,674	$18,350,434,707	$17,565,228,096		$16,769,888,224		$15,721,848,630	
3	Completed Construction Not Classified	p. 200, l. 6	330,961,259	434,982,980	384,942,681		521,097,224		900,608,799	
4	Accumulated Depreciation	p. 200, l. 22	(7,352,149,396)	(7,152,494,925)	(6,843,280,703)		(6,604,819,219)		(6,302,046,814)	
5	Net Utility Plant (b)		12,199,645,537	11,632,922,762	11,106,890,074		10,686,166,229		10,320,410,615	
6	Plant Materials and Supplies (Acct 154)	p. 110	91,498,270	81,131,789	71,908,090		71,325,663		74,958,501	
7	Stores Expense Undistributed (Acct 163)	p. 111	-	-	-		-		-	
8	Fuel (Acct 151 - 152)	p. 110	-	-	-		-		-	
9	Property Held For Future Use	p. 214	38,476,664	35,658,200	35,369,141		31,532,390		32,004,439	
10	Other Regulatory Assets (Acct 182.3) -									
11	Recoverable Transition Costs	p. 232	-	-	-		-		-	
12	Capitalized Incentive - March 2003 Agreement	p. 232	7,956,298	8,197,785	8,439,273		8,680,760		8,922,247	
13	Unrecovered Nuclear Decommissioning Costs	p. 232	-	-	-		-		-	
14	Accumulated Deferred Income Taxes (Acct 190)	p. 111	366,662,593	324,645,956	343,318,321		323,016,420		309,948,557	
15	Pension Asset (Acct 186)	p. 233	1,661,482,369	1,802,548,972	1,038,782,729		907,476,041		846,938,710	
16	RTO Start-up Costs (Acct 186)	p. 233	-	-	-		-		-	
17	Operating Reserves (Acct 228)									
18	Accum Prov for Injuries & Damages (Acct 228.2)	p. 112	(53,890,692)	(52,759,525)	(53,669,501)		(53,027,607)		(63,307,496)	
19	Accum Prov for Pensions & Benefits (Acct 228.3)	p. 112	(319,558,110)	(317,414,580)	(314,601,906)		(288,328,057)		(249,387,659)	
20	Accum Misc Operating Provisions (Acct 228.4)	p. 112	(209,920,922)	(126,920,032)	(120,561,389)		(112,648,855)		(89,079,873)	
21	Asset Retirement Obligations (Acct 230)	p. 112	(99,212,577)	(89,039,536)	(104,935,733)		(94,708,077)		(173,970,921)	
22	Customer Advances for Construction (Acct 252)	p. 113	(74,520,744)	(69,659,709)	(60,282,885)		(70,836,167)		(64,299,068)	
23	Accumulated Deferred ITC's (Acct 255)	p. 113	(24,000,597)	(26,314,193)	(28,965,908)		(31,714,677)		(34,532,793)	
24	Accumulated Deferred Income Taxes (Accts 281 - 283)	p. 113	(4,597,331,987)	(4,299,915,834)	(3,578,903,968)		(3,056,518,743)		(2,730,923,946)	
25	Remove Accum Def Taxes on Like-Kind Exchange (c)		320,647,376	333,929,822	343,784,338		356,260,813		368,737,288	
26	Net Rate Base (Unadjusted) (a)		$ 9,307,933,478	$ 9,237,011,877	$ 8,686,570,676	(a)	$ 8,676,676,133	(a)	$ 8,556,418,601	(a)

Notes:

(a) Amounts based on FERC Form 1 reported data and do not reflect all rate making adjustments necessary for establishing a jurisdictional revenue requirement.

(b) Excludes goodwill (Plant Acquisition Adjs - Accts 114 and 115) and CWIP (Acct 107).

(c) See Schedule B-9.

Fitch Affirms Ratings of Exelon Following Merger [Ratings] [Endorsement Policy]
12 Mar 2012 4:24 PM (EDT)

Fitch Ratings-New York-12 March 2012: Fitch Ratings has affirmed the Issuer Default Ratings (IDR) and instrument ratings of Exelon Corp. (EXC) and each of its existing operating subsidiaries, including the newly acquired Baltimore Gas and Electric Co. (BG&E). The rating affirmations follow the closing of the merger between EXC and Constellation Energy Group, Inc. (CEG).

Fitch also upgraded the ratings of CEG's outstanding senior unsecured debt to 'BBB+' from 'BBB-' and junior subordinated notes to 'BBB-' from 'BB'. The CEG upgrade reflects the assumption of CEG's publicly traded debt and bank credit facility following an internal restructuring that includes an upstream merger of CEG with and into EXC. Consequently, EXC will be responsible for CEG's debt obligations. The restructuring is expected immediately after the merger. CEG's 'BBB-' long-term IDR, short-term 'F3' IDR and 'F3' commercial paper ratings are withdrawn. The Rating Outlook for all entities is Stable. See the full list of rating actions at the end of this release.

Rating Drivers

Financial position: Fitch expects EXC's post-merger consolidated financial position to remain solid and only moderately weaker than Fitch's previous expectation of EXC's standalone credit profile. On a pro forma basis as of Dec. 31, 2011, Fitch calculates EBITDA/interest and Debt/EBITDA of the combined entity were 6.7 times (x) and 2.6x, respectively. In 2012 those ratios are expected by Fitch to approximate 6.0x and 2.75x.

Risk Profile: EXC's post-merger business risk profile is unchanged, with regulated earnings contributing nearly half of projected 2012 EBITDA on either a standalone or a combined basis. Moreover, the addition of CEG's retail energy business should lower liquidity requirements. By matching EXC's long generation position and CEG's load-serving retail business, Fitch anticipates net margin postings will decline.

The addition of CEG's retail energy business complements the cash flow profile of EXC's wholesale generation business; high wholesale power prices result in wider margins and greater cash flow for the larger generation segment and compressed margins for the retail segment and vice versa.

The post-merger credit profile of EXC's wholesale generation subsidiary, Exelon Generation Company, LLC (Exgen), is expected by Fitch to remain strong. Including the debt to be assumed by EXC, which Fitch expects will ultimately be refinanced at Exgen, debt and leverage measures will weaken from historical levels, but remain supportive of the existing ratings due to the headroom provided by Exgen's currently low leverage and strong interest coverage measures.

Going forward, Exgen's credit measures will be pressured by Fitch's expectation that power prices will remain low for the next several years and by a large capital spending program. A significant portion of the planned expenditures are discretionary. Ultimately, credit quality measures and ratings will depend on the level of capital investment and financing plan. Fitch expects a portion of the proceeds from asset sales required by the Federal Energy Regulatory Commission (FERC) as a condition of the merger will be applied to debt reduction.

The ratings of regulated subsidiaries Commonwealth Edison Company, PECO Energy Company and Baltimore Gas and Electric Company are unaffected by the proposed merger.

The combined company will have increased scale, with approximately 34,390 megawatts (MWs) of generating capacity (of which 18,967 MWs would be nuclear), three regulated electric utilities serving 7.8 million customers in three states (Illinois, Pennsylvania and Maryland,)and a national footprint serving retail and wholesale load.

Fitch has upgraded the following ratings with a Stable Outlook:

Constellation Energy Group
--Senior unsecured debt to 'BBB+' from 'BBB-';
--Junior subordinated notes to 'BBB-' from 'BB'.

Fitch has affirmed the following ratings with a Stable Outlook:

Exelon Corp.
--IDR at 'BBB+';
--Senior unsecured debt at 'BBB+';
--Commercial paper at 'F2';
--Short-term IDR at 'F2'.

Exelon Generation Co., LLC
--IDR at 'BBB+';
--Senior unsecured debt at 'BBB+';
--Commercial paper at 'F2';
--Short-term IDR at 'F2'.

Commonwealth Edison Company
--IDR at 'BBB-;
--First mortgage bonds at 'BBB+';
--Senior unsecured debt at 'BBB';
--Preferred stock to at 'BB+';
--Short-term IDR at 'F3';
--Commercial paper at 'F3'.

ComEd Financing Trust III
--Preferred stock at 'BB+'.

PECO Energy Co.
--IDR at 'BBB+';
--First mortgage bonds at 'A';

--Secured pollution control bonds at 'A';
--Senior unsecured debt at 'A-';
--Preferred stock at 'BBB';
--Commercial paper 'F2';
--Short-term IDR at 'F2'.

PECO Energy Capital Trust III
--Preferred stock at 'BBB'.

PECO Energy Capital Trust IV
--Preferred stock at 'BBB'.

Baltimore Gas and Electric Company
--IDR at 'BBB;
--First mortgage bonds at 'A-';
--Senior unsecured debt at 'BBB+';
--Pollution control bonds at 'BBB+';
--Preferred stock to at 'BBB-';
--Short-term IDR at 'F2';
--Commercial paper at 'F2'.

BGE Capital Trust II
--Preferred stock at 'BBB-'.

Fitch has withdrawn the following ratings:

Constellation Energy Group
--IDR of 'BBB-';
--Commercial paper rating of 'F3';
--Short-term IDR of 'F3'.

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Applicable Criteria and Related Research:

--'Corporate Rating Methodology' (Aug. 12, 2011);
--'Parent and Subsidiary Rating Linkage' (Aug. 12, 2011)
--'Recovery Ratings and Notching Criteria for Utilities' (Aug. 12, 2011);
--'Rating North American Utilities, Power, Gas and Water Companies' (May 16, 2011).

Applicable Criteria and Related Research:
Rating North American Utilities, Power, Gas, and Water Companies
Recovery Ratings and Notching Criteria for Utilities
Parent and Subsidiary Rating Linkage
Corporate Rating Methodology

FitchRatings

Fitch Rates Commonwealth Edison's $350MM FMBs 'BBB+' Ratings Endorsement Policy
25 Sep 2012 3:54 PM (EDT)

Fitch Ratings-New York-25 September 2012: Fitch Ratings has assigned a 'BBB+' rating to Commonwealth Edison Co.'s (Comed) $350 million 3.8% first mortgage bonds (FMBs) due Oct. 1, 2042. Net proceeds will be used to repay outstanding commercial paper and for general corporate purposes. The Rating Outlook is Stable.

Key Rating Drivers

Credit Metrics: Comed's credit quality measures will be adversely affected for the remainder of 2012 by a recently implemented rate reduction but should remain supportive of the current ratings. Fitch estimates the 2012 ratios of EBITDA/interest and Debt/EBITDA will approximate 4.0 times (x) and FFO/debt 20%. Current ratings assume a portion of the rate reduction will be restored following the resolution of a rehearing and that higher rates are implemented in 2013.

Regulatory Uncertainty: The positions taken by the Illinois Commerce Commission (ICC) in Comed's initial Formula Rate Plan (FRP) filing heightened regulatory risk for utilities in Illinois. In ordering a $168.6 million rate reduction, the ICC disallowed a return on Comed's pension asset and relied on an average rate base and capital structure, all of which appears to be inconsistent with the FRP legislation. The company supported a $59.1 million rate reduction, largely reflecting a lower return on equity (ROE) as per the rate formula.

FRP Appeal: Fitch expects at least $35 million of the FRP rate reduction will be restored, consistent with the recommendation of the Administrative Law Judge (ALJ) hearing Comed's appeal. The ALJ's position reflects a reversal of the ICC's treatment of the pension asset but maintains the use of an average rate base and capital structure. The Illinois House of Representatives passed a non-binding resolution supporting Comed's position. A final order on rehearing is due by Nov. 19, 2012.

Pending Rate Case: Current ratings anticipate higher rates and stronger credit quality measures in 2013 following a decision in the second FRP proceeding. In its April 2012 filing, Comed proposed a $106.2 million rate increase to be effective Jan. 1, 2013. The proposed increase reflects actual 2011 results and estimated plant additions through 2012 as per the FRP legislation. The ICC staff is recommending a net reduction of $$69.4 million including a $37.3 million base rate increase offset by a $106.7 million reconciliation adjustment. Prospectively, Comed will file an annual FRP each May with new rates effective the following January.

Rising Capex: Capital expenditures are forecasted to rise to $4.5 billion over the three-year period 2012-2014, including $1.6 billion in 2013 and 2014, compared to $2.8 billion in the prior three-year period. The higher outlays are primarily driven by the Illinois Energy Infrastructure Modernization Act (EIMA), which requires Comed to invest an incremental $1.3 billion on electric system upgrades over five years and an additional $1.3 billion for smart grid deployment over 10 years. The legislation provides for recovery through the FRP filings.

Commodity Price Exposure: Ratings benefit from the absence of commodity price exposure and the associated cash flow volatility. Legislation that provides Illinois utilities the ability to adjust tariffs annually to reflect changes in uncollectible accounts is also credit positive.

Liquidity: A $1 billion unsecured credit facility and ready access to capital markets provide adequate liquidity. Debt maturities are well laddered and relatively modest over the next several years.

What would lead to consideration of a negative rating action?
An unfavorable ruling in Comed's second FRP filing is the primary credit risk and could adversely affect ratings.

What would lead to consideration of a positive rating action?
Adherence to the principles in the EIMA would lower regulatory risk, provide a timely return of and on invested capital and could lead to improved ratings.

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Applicable Criteria and Related Research:
--'Corporate Rating Methodology' (Aug. 12, 2011);
--'Parent and Subsidiary Rating Linkage' (Aug. 12, 2011);
--'Recovery Ratings and Notching Criteria for Utilities' (May 3, 2012);
--'Rating North American Utilities, Power, Gas and Water Companies' (May 12, 2011).

Applicable Criteria and Related Research:
Corporate Rating Methodology
Parent and Subsidiary Rating Linkage
Recovery Ratings and Notching Criteria for Utilities
Rating North American Utilities, Power, Gas, and Water Companies

Fitch Affirms Exelon Corp's and Subsidiaries Ratings Ratings Endorsement Policy
08 Feb 2013 12:34 PM (EST)

Fitch Ratings-New York-08 February 2013: Fitch Ratings has affirmed the Issuer Default Ratings (IDR) and instrument ratings of Exelon Corp. (EXC) and each of its existing operating subsidiaries, including Exelon Generation Company (Exgen), Commonwealth Edison Company (Comed), PECO Energy Company (PECO) and Baltimore Gas and Electric Co. (BG&E). The Rating Outlook for Comed has been revised to Positive from Stable. The Rating Outlook for all other entities remains Stable.

The ratings of EXC and Exgen reflect recent steps taken by management to solidify their credit quality and ratings in the face of a persistently low power price environment that is pressuring wholesale and retail profit margins. The positive actions include substantial reductions in both capex and the common stock dividend. Consequently, credit protection measures are expected by Fitch to remain strong during a low point in the commodity cycle and compare favorably to Fitch's target ratios and their respective peer groups.

The EXC and Exgen ratings also reflect ample liquidity, and a competitive nuclear fleet that is low on the dispatch curve and stands to benefit from new and existing environmental regulations that impose additional costs on coal plants. The consolidated rating also benefits from the earnings contribution of three regulated utilities, which account for about 50% of earnings and cash flow.

KEY RATING DRIVERS

EXC and Exgen

Dividend Reduction: EXC's dividend was reduced 40%, saving approximately $700 million annually. Fitch expects Exgen will be the primary beneficiary of the dividend reduction and to apply a significant portion of the savings to debt reduction. The new dividend takes effect in the second quarter of 2013.

Reduced Capex: In November 2012, management lowered Exgen's capex budget by $2.3 billion over the five year period 2013 - 2017. The capex reduction includes approximately $1.025 billion from the deferral of planned nuclear uprates and $1.25 billion from eliminating unidentified wind and solar investments. The reductions meaningfully reduced pressure on credit quality measures.

Financial Position: The combined reductions of the common stock dividend and capex have strengthened the financial positions of both EXC and Exgen. Cash flow measures are particularly strong. Fitch estimates EXC's adjusted ratio of FFO/interest to be in excess of 6.0x over the next several years and FFO/debt approximately 30%. Fitch estimates Exgen's adjusted ratio of FFO/interest to be in excess of 7.0x over the next several years and FFO/debt in excess of 40%.

Liquidity: Liquidity is ample and debt maturities should be manageable. On a consolidated basis committed credit facilities aggregate $8.4 billion, including $5.7 billion at Exgen and $500 million at EXC, and extend to 2017. Moreover, Fitch expects Exgen to be free cash flow positive over the next several years.

Low Commodity Price Environment: Low power prices, weak demand and aggressive competitive pricing behavior have adversely affected Exgen's wholesale and retail margins and are expected by Fitch to persist for several more years. It does appear however, that we are in the low point of the commodity cycle with limited downside risk. Moreover, the lower dividend and spending plan have positioned both EXC and Exgen to withstand further stresses.
Comed

Credit Metrics: Over the next several years, Fitch expects Comed to sustain the improvement in credit metrics achieved in 2012, largely due to a rate increase implemented Jan. 1, 2013 and a new regulatory paradigm in Illinois that allows for annual rate adjustments to earn a return on new investments and recover changes in the cost of service. Fitch estimates the ratio of EBITDA/interest will average about 5.0x and FFO/interest about 4.5x over the next several years. Over the same period FFO/debt is expected by Fitch to average about 18% and Debt/EBITDA about 3.9x.

Regulatory Environment: Illinois implemented a formula based rate plan (FRP) in October 2011 that fundamentally changed regulation of electric delivery service in Illinois. While the FRP remains less favorable than initially expected by Fitch, it does provide for annual rate adjustments, recognizes planned capital additions and includes a true-up mechanism that combine to reduce, albeit not eliminate, rate lag. The primary negatives are a relatively low formula based return on equity (ROE) and reliance on an average, rather than year-end rate base, which reduces the revenue requirement.

FRP Appeal: Following its initial FRP decision, Comed filed an appeal with the Illinois Commerce Commission (ICC) and in October 2012 the ICC reversed its position on the treatment of the Comed's pension asset. The reversal restored about $135 million of revenue in 2012. The ICC maintained its position on the use of an average, rather than year-end, rate base and capital. Following the rehearing order, Comed filed an appeal in state court regarding the use of an average rate base and the interest rate used to calculate the carrying cost on reconciliation adjusted balances.

Recent Comed Rate Case: On Dec. 19, 2012, the ICC issued an order in Comed's second FRP filing. The decision was more constructive than the previous order, but continues to rely on an average rate base and capital structure. The ICC granted Comed a $72.6 million rate increase compared to $74.2 million supported by the company. The allowed ROE was 9.71% based on the pre-established formula (3.91% Treasury yield plus 580 basis points), compared to 10.05% in the prior case. Prospectively, Comed will file an annual FRP each May with new rates effective the following January. Since Treasury rates are unlikely to fall there is limited downside on the ROE.

Rising Capex: Capital expenditures are forecasted to rise to approximately $4.3 billion over the three-year period 2013-2015, compared to $3.3 billion in the prior three-year period. The higher outlays are primarily driven by the Illinois Energy Infrastructure Modernization Act (EIMA), which requires Comed to invest an incremental $1.3 billion on electric system upgrades over five years and an additional $1.3 billion for smart grid deployment over 10 years. The legislation provides for recovery through the FRP filings.

Commodity Price Exposure: Ratings benefit from the absence of commodity price exposure and the associated cash flow volatility.

Liquidity: A $1 billion unsecured credit facility provides ample liquidity. Annual debt maturities will require on-going capital market access.

Like-Kind-Exchange: Comed's exposure to the IRS's disallowance of the tax benefits associated with a like-kind-exchange is a credit concern, however the issue is not likely to be resolved for several years and was not factored into the rating decision. As of Jan. 28, 2013, EXC's potential tax and after-tax interest that could become payable, excluding penalties, is $860 million, of which $260 million would be paid by Comed.

PECO

Financial Position: Historical and projected credit measures are well in excess of Fitch's target ratios for the current rating category and the companies' peer group of 'BBB+' distribution utilities. In 2013, Fitch estimates EBITDA/interest of approximately 7.0x, FFO/interest 5.0x and FFO/Debt about 20%.
Regulatory Environment: In February 2012, HB 1294 was signed into law. The legislation is intended to encourage utilities to invest in infrastructure by providing cost recovery through an automatic adjustment mechanism. Under the law, utilities will file a long-term infrastructure improvement plan starting in 2013 and the Pennsylvania Public Utility Commission (PUC) will establish a distribution system investment charge (DSIC) to recover the invested capital. The DSIC will be updated quarterly. The new legislation also allows rate filings to include fully forecasted test years, significantly reducing regulatory lag.

Commodity Price Exposure: Ratings benefit from the absence of commodity price exposure and the associated cash flow volatility.

BG&E

Financial Position: The BG&E rating reflects historical and projected credit measures that are consistent with the rating category. In 2013, Fitch estimates EBITDA/interest of approximately 5.5x, FFO/interest 4.5x and FFO/Debt about 20%.

Regulatory Recovery Mechanisms: Rate adjustment mechanisms outside of base rate cases tend to stabilize BG&E's on-going cash flow. These include decoupling for both residential and certain commercial gas and electricity deliveries and purchased gas and purchased power recovery mechanisms.

Regulatory Environment: The regulatory environment in Maryland remains challenging largely due to regulatory lag and the authorization of equity returns that are among the lowest in the industry. The MPSC has been resistant to adopting forward looking test years or other approaches to shorten regulatory lag.

Rate Filing: On July 27, 2012, BG&E filed a request with the MPSC for electric and gas distribution rate increases. Including updates during the rate proceedings the electric and gas rate requests were $130.1 million and $45.6 million, respectively. The increases are premised on a 10.5% return on equity (ROE). A decision is required in February 2013.

RATING SENSITIVITIES

What could trigger a negative rating action:

--Lack of rate support for utility infrastructure investments or changes in the commodity cost recovery provisions in Illinois, Pennsylvania or Baltimore.
--More aggressive growth strategy that increased business risk and/or leverage.
--Sustained nuclear outage.
--Increase in risk appetite as evidenced by change in hedging strategy at Exgen.

What could trigger a positive rating action:

--Other than an unexpected change in business strategy (i.e. additional sources of regulated earnings and cash flow), positive rating action at parent is unlikely at the present rating level.
--For Comed, a constructive decision in Comed's next FRP proceeding that supports infrastructure investments and strengthens cash flow could lead to a one-notch upgrade.

Fitch has affirmed the following ratings with a Stable Outlook:

Exelon Corp.
--Issuer Default Rating (IDR) at 'BBB+';
--Senior unsecured debt at 'BBB+';
--Junior Subordinated Notes at 'BBB-'
--Commercial paper at 'F2';
--Short-term IDR at 'F2'.

Exelon Generation Co., LLC
--Issuer Default Rating (IDR) at 'BBB+';
--Senior unsecured debt at 'BBB+';
--Commercial paper at 'F2';
--Short-term IDR at 'F2'.

PECO Energy Co.
--Issuer Default Rating (IDR) at 'BBB+';
--First mortgage bonds at 'A';
--Senior unsecured debt at 'A-';
--Preferred stock at 'BBB';

--Commercial paper at 'F2';
--Short-term IDR at 'F2'.

PECO Energy Capital Trust III
--Preferred stock at 'BBB'.

PECO Energy Capital Trust IV
--Preferred stock at 'BBB'.

Baltimore Gas and Electric Company
--Issuer Default Rating (IDR) at 'BBB;
--First mortgage bonds at 'A-';
--Senior unsecured debt at 'BBB+';
--Pollution Control Bonds at 'BBB+'
--Preferred stock to at 'BBB-';
--Short-term IDR at 'F2';
--Commercial paper at 'F2'.

BGE Capital Trust II
--Preferrred stock at 'BBB-'.

Fitch has affirmed the following ratings with a Positive Outlook:

Commonwealth Edison Company
--Issuer Default Rating (IDR) at 'BBB-;
--First mortgage bonds at 'BBB+';
--Senior unsecured debt at 'BBB';
--Preferred stock at 'BB+';
--Short-term IDR at 'F3';
--Commercial paper at 'F3'.

ComEd Financing Trust III
--Preferred stock at 'BB+'.

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Applicable Criteria and Related Research
--'Corporate Rating Methodology' (Aug. 8, 2012);
--'Parent and Subsidiary Rating Linkage' (Aug. 12, 2011)
--'Recovery Ratings and Notching Criteria for Utilities' (Nov. 12, 2012).

Applicable Criteria and Related Research
Corporate Rating Methodology
Parent and Subsidiary Rating Linkage
Recovery Ratings and Notching Criteria for Utilities

FitchRatings

Corporates

Electric-Corporate / U.S.A.

Commonwealth Edison Company

Subsidiary of Exelon Corp.

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	BBB–
Short-Term IDR	F3
Secured	BBB+
Senior Unsecured	BBB
Preferred Stock	BB+
Commercial Paper	F3

IDR – Issuer Default Rating.

Rating Outlook

Long-Term Foreign-Currency IDR	Positive

Financial Data

Commonwealth Edison Company

($ Mil.)	12/31/12	12/31/11
Revenue	5,443	6,056
Gross Margins	3,136	3,021
Operating EBITDA	1,509	1,542
Net Income	379	416
CFFO	1,334	836
Total Debt	5,736	5,860
Total Capitalization	13,162	13,000
Capex/Depreciation	201.29	185.56

Related Research

Baltimore Gas and Electric Company (April 2013)

Exelon Corp. (April 2013)

Exelon Generation Company, LLC (April 2013)

PECO Energy Company (April 2013)

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Key Rating Drivers

Credit Metrics: Higher rates effective Jan. 1, 2013, and a formula rate plan that allows for annual rate adjustments should allow Commonwealth Edison Co. (Comed) to sustain its currently sound financial position over the next few years. Offsetting factors are rising pension costs and reduced tax benefits from bonus depreciation. Fitch Ratings estimates EBITDA/interest will average about 5.0x, FFO/interest 4.5x, and FFO/debt 18%. Each measure is strong for the current rating. One lagging measure is debt/EBITDA, which Fitch expects to average about 4.0x over the next several years.

Regulatory Environment: A formula based rate plan (FRP) implemented in October 2011 provides increased regulatory predictability in Illinois. While the FRP remains less favorable than initially expected by Fitch, it does provide for annual rate adjustments, recognizes forward-looking capital additions and includes a true-up mechanism reducing, albeit not eliminating, rate lag. In Fitch's view, the primary deficiencies are a relatively low formula-based return on equity (ROE) and reliance on an average, rather than year-end rate base, which reduces the revenue requirement.

Rising Capex: Capex is forecast to rise to approximately $4.4 billion over the three-year period from 2013 to 2015, compared with $3.3 billion in the prior three-year period. The higher outlays are primarily driven by the Illinois Energy Infrastructure Modernization Act (EIMA), which requires Comed to invest an incremental $1.3 billion on electric system upgrades over five years and an additional $1.3 billion for smart grid deployment over 10 years. The legislation provides for recovery through the FRP filings.

Commodity Price Exposure: Ratings and credit quality benefit from the absence of commodity price exposure, which limits cash flow volatility and reduces business risk. Comed's energy supply costs are recovered from customers through a monthly fuel adjustment mechanism. The company has no volumetric or price risk on energy supply costs.

Like-Kind Exchange: Comed's exposure to the IRS's disallowance of the tax benefits associated with a like-kind exchange is a credit concern. However, the issue is not likely to be resolved for several years and was not factored into the current rating. Comed's potential tax and after-tax interest that could become payable, excluding penalties, is $260 million as of Jan. 28, 2013.

Rating Outlook: The Positive Rating Outlook reflects credit metrics that Fitch expects to remain consistent with 'BBB' target credit ratios and the predictability of future rate recovery due to the evolution of the formula rate plan in Illinois.

Rating Sensitivities

Positive Action: A constructive outcome in Comed's next FRP filing could lead to a one-notch upgrade. In particular, adherence by the Illinois Commerce Commission (ICC) to the principles applied in the most recent rate decision. A successful court challenge regarding the use of an average rather than year-end rate base and the interest rate used to calculate the carrying cost on true-up revenue in FRP filings, or the enactment of Senate Bill 9 would also have a beneficial impact on credit quality.

Negative Action: Lack of rate support for utility infrastructure investments or an over-reliance on Comed to fund the parent common stock dividend pose the greatest threats to ratings.

Financial Overview

Liquidity and Debt Structure

A $1 billion committed credit facility provides ample liquidity. The credit facility supports a commercial paper program of equal size and provides for direct borrowings. The credit facility extends to March 2018 and allows for an additional one-year extension. Available cash at Dec. 31, 2012 was $144 million.

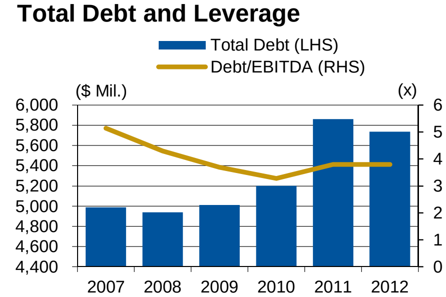
Long-term debt as of Dec. 31, 2012 aggregated $5.8 billion, including $206 million of subordinated debentures that qualify for 50% equity credit under Fitch's methodology. Approximately 95% of the outstanding long-term debt is first mortgage bonds. Annual debt maturities in each of the next five years ranging between $250 million and $665 million should be manageable, but will require capital market access.

Debt Maturities

($ Mil.)	
2013	252
2014	617
2015	260
2016	665
After 2016	3,999
Cash and Cash Equivalents	144
Undrawn Committed Facilities	1,000

Source: Company data, Fitch.

Total Debt and Leverage

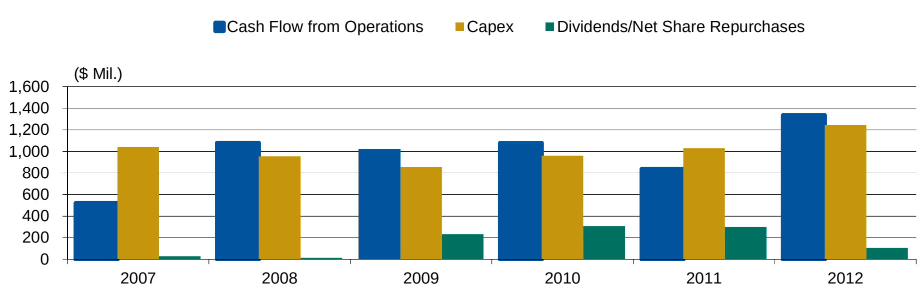


Source: Company data, Fitch.

Cash Flow Analysis

Fitch expects capex to rise to approximately $4.4 billion over the three-year period from 2013 to 2015, or about 2.5x depreciation. Fitch expects internal cash generation after dividends to provide 65%–75% of capex. The recent action by parent EXC to reduce its common stock dividend by 40%, or nearly $750 million annually, is expected to have limited impact on Comed. Affiliate Exelon Generation Co., LLC will be the primary beneficiary, with Comed expected to upstream about 70% of earnings.

CFO and Cash Use



Source: Company data, Fitch.

Related Criteria

Recovery Ratings and Notching Criteria for Utilities (November 2012)

Corporate Rating Methodology (August 2012)

Parent and Subsidiary Rating Linkage (August 2012)

Peer and Sector Analysis

Peer Group

Issuer	Country
BBB	—
Baltimore Gas and Electric Company	—
PPL Electric Utilities	—
BBB+	
PECO Energy Co.	—

Source: Fitch.

Issuer Rating History

Date	LT IDR (FC)	Outlook/ Watch
Feb. 8, 2013	BBB–	Positive
March 12, 2012	BBB–	Stable
April 28, 2011	BBB–	Stable
Jan. 24, 2011	BBB–	Stable
Jan. 25, 2010	BBB–	Stable
May 30, 2008	BB+	Stable
Aug. 29, 2007	BB+	Stable
Aug. 1, 2007	BB	RWP
March 9, 2007	BB	RWN
Nov. 17, 2006	BBB–	RWN
July 31, 2006	BBB–	Negative
Jan. 9, 2006	BBB+	Negative
Dec. 6, 2005	BBB+	Stable
Dec. 20, 2004	BBB+	Stable
May 2, 2001	BBB+	Stable
Oct. 20, 2000	BBB+	—
Dec. 17, 1999	BBB+	—
July 26, 1999	BBB	—
Jan. 8, 1997	BBB–	—

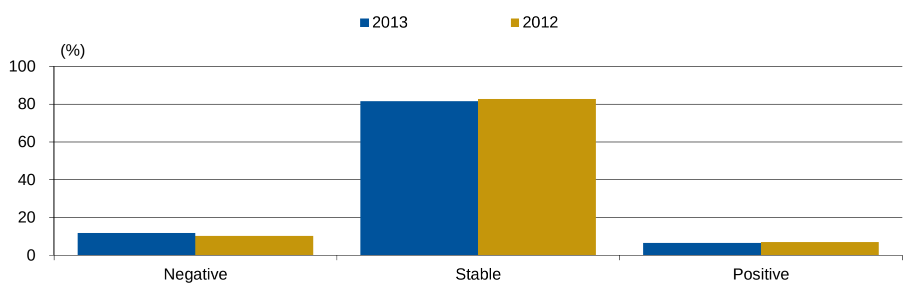
LT IDR (FC) – Long-term Issuer Default Rating (foreign currency).
RWP – Rating Watch Positive.
RWN – Rating Watch Negative.
Source: Company data, Fitch.

Peer and Sector Analysis

	Commonwealth Edison Co.	Baltimore Gas and Electric Company	PPL Electric Utilities	PECO Energy Co.
LTM as of	12/31/12	12/31/12	12/31/12	12/31/12
Long-Term IDR	BBB–	BBB	BBB	BBB+
Outlook	Positive	Stable	Stable	Stable
Financial Statistics ($ Mil.)				
Revenue	5,443	2,653	1,763	3,186
EBITDA	1,509	348	454	860
FCF	(17)	(173)	(331)	109
Total Adjusted Debt	5,736	1,975	1,967	2,312
Funds Flow from Operations	1,231	536	387	731
Capex	(1,246)	(582)	(624)	(422)
Credit Metrics (x)				
EBITDA/Gross Interest Coverage	4.72	2.78	4.59	6.56
Debt/FFO	4.66	3.68	5.08	3.16
Debt/EBITDA	3.80	5.68	4.33	2.69
FFO Interest Coverage	4.85	5.29	4.91	6.58
Capex/Depreciation (%)	201.29	247.66	390.00	179.57

IDR – Issuer Default Rating.
Source: Company data, Fitch.

Sector Outlook Distribution



Source: Fitch.

Key Rating Issues

FRP Appeal

Following a rehearing on its initial FRP decision, the ICC reversed its original position and allowed Comed to earn a debt return on its pension asset. The after-tax return on the $1.1 billion pension asset is about $65 million annually. However, the ICC maintained its position on using an average (rather than year-end) rate base and capital structure to determine the revenue requirement and a short-term debt rate (rather than the weighted cost of capital) to calculate the carrying charges on reconciliation (true-up) balances related to under- or over-recoveries. Following the rehearing order, Comed filed an appeal in state court on the issues that were not reversed by the ICC. Fitch believes the ICC's position is inconsistent with language in the legislation.

Recent Comed Rate Case

The ICC issued an order in Comed's second FRP filing on Dec. 29, 2012. The decision was more constructive than the previous order, but continues to rely on an average rate base and capital structure and short-term interest rates to calculate the carrying charges on reconciliation balances. The ICC granted Comed a $72.6 million rate increase, compared with the $74.2 million supported by the company. The allowed ROE was 9.71% based on the pre-established formula (3.91% Treasury yield plus 580 bps), compared with 10.05% in the prior case. Prospectively, Comed will file an annual FRP each May with new rates effective the following January. There is limited downside on the ROE since Treasury rates are unlikely to fall.

Load Trends

Weather-normalized electric load is expected to be flat in 2013, with moderate improvement thereafter. The 2013 outlook includes a decline in sales to the higher margin residential and small commercial and industrial customers, offset by an increase in sales to lower margin large commercial and industrial customers.

Energy Infrastructure Modernization Act

Since 2011, Comed's distribution rates have been established through a performance-based FRP, as established by the EIMA. The legislation requires participating utilities to invest certain amounts in their distribution systems, with cost recovery provided through annual FRP filings. Instead of periodic rate filings, delivery service rates are reset annually based on the actual cost of service, subject to a prudence review by the ICC. The FRP dictates the allowed equity return and requires use of the actual rate base and capital structure. The legislatively set ROE is equal to the 12-month average of the 30-year Treasury bond yield during the test year, plus a risk premium of 580 bps.

Although the FRP relies on a historical test year, defined as data in the most recently filed Federal Energy Regulatory Commission (FERC) Form 1, there are two adjustments that limit regulatory lag. The annual rate filings include post-test year net plant additions for the ensuing 12-month period, and an annual reconciliation (with interest) of the previously allowed revenue requirement based on actual costs during the prior rate year. The FRP also sets protocols for several items that have been contentious in past rate cases, including the treatment of incentive compensation, pension and other post-employment benefits, severance costs, and the investment return on Comed's pension asset.

If the earned ROE is more than 50 bps above or below the authorized ROE, the companies are required to refund/collect any amounts outside of the dead band. The FRP will be terminated if the average annual rate increase for the years 2012–2014 were to exceed 2.5%. Otherwise, the FRP will terminate Dec. 31, 2017, unless extended by the legislature.

Pending Legislation

The Illinois Senate Executive Committee voted to pass Senate Bill (S.B.) 9 on Feb. 13, 2013, which if enacted, would clarify certain provision in the FRP and allow utilities to recover amounts not allowed in previous FRP proceedings. The legislation includes language indicating the ICC should use the utilities' year-end rate base and capital structure, and specifies that any reconciliation amounts should accrue interest using the utilities' weighted average cost of capital.

Organizational Structure

Organizational Structure — Exelon Corp.
($ Mil., As of Dec. 31, 2012)

Exelon Corp.
IDR: BBB+

4.900% Sr. Unsecured Notes due 6/15/15	800
4.550% Sr. Secured Notes due 6/15/15	550
5.150% Sr. Secured Notes due 12/1/20	550
7.600% Sr. Secured Notes due 4/1/32	258
5.625% Sr. Unsecured Notes due 6/15/35	500

Exelon Generation Company
IDR: BBB+

5.350% Sr. Unsecured Notes due 1/15/14	500
6.200% Sr. Unsecured Notes due 10/1/17	700
5.200% Sr. Unsecured Notes due 10/1/19	600
4.000% Sr. Unsecured Notes due 10/1/20	550
4.250% Sr. Unsecured Notes due 6/15/22	523
6.250% Sr. Unsecured Notes due 10/1/39	900
5.750% Sr. Unsecured Notes due 10/1/41	350
5.600% Sr. Unsecured Notes due 6/15/42	788
Project-Related Debt	181

Constellation Nuclear LLC
NR

Constellation NewEnergy Inc.
NR

Constellation Energy Commodities Group Inc.
NR

Other Subsidiaries

Exelon Business Services Company LLC	NR
Exelon Transmission Company LLC	NR

Exelon Energy Delivery Company LLC
NR

RF HoldCo LLC

Baltimore Gas and Electric
IDR: BBB

6.125% Sr. Unsecured Notes due 7/1/13	400
5.900% Sr. Unsecured Notes due 10/1/16	300
3.500% Sr. Unsecured Notes due 11/15/21	300
2.800% Sr. Unsecured Notes due 8/15/22	250
5.200% Sr. Unsecured Notes due 6/15/33	200
6.350% Sr. Unsecured Notes due 10/1/36	400

PECO Energy Co.
IDR: BBB+

5.600% Sr. Secured Bonds due 10/15/13	300
5.000% Sr. Secured Bonds due 10/1/14	250
5.350% Sr. Secured Bonds due 3/1/18	500
2.375% Sr. Secured Bonds due 9/15/22	350
5.900% Sr. Secured Bonds due 5/1/34	75
5.950% Sr. Secured Bonds due 10/1/36	300
5.700% Sr. Secured Bonds due 3/15/37	175

Commonwealth Edison Co.
IDR: BBB–

7.625% Sr. Secured Bonds due 4/15/13	125
7.500% Sr. Secured Bonds due 7/1/13	127
1.625% Sr. Secured Bonds due 1/15/14	600
4.700% Sr. Secured Bonds due 4/15/15	260
5.950% Sr. Secured Bonds due 8/15/16	415
1.950% Sr. Secured Bonds due 9/1/16	250
6.150% Sr. Secured Bonds due 9/15/17	425
5.800% Sr. Secured Bonds due 3/15/18	700
4.000% Sr. Secured Bonds due 8/1/20	500
3.400% Sr. Secured Bonds due 9/1/21	350
5.875% Sr. Secured Bonds due 2/1/33	254
5.900% Sr. Secured Bonds due 3/15/36	625
6.450% Sr. Secured Bonds due 1/15/38	450
3.800% Sr. Secured Bonds due 10/1/42	350
6.950% Sr. Unsecured Notes due 7/15/18	140

IDR – Issuer Default Rating. NR – Not rated.
Source: Company filings, Bloomberg, and Fitch Ratings.

Definitions

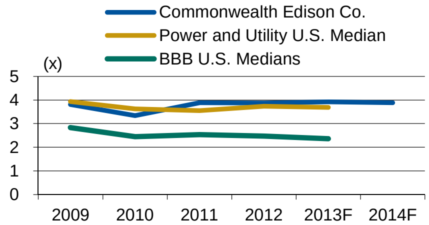
- Leverage: Gross debt plus lease adjustment minus equity credit for hybrid instruments plus preferred stock divided by FFO plus gross interest paid plus preferred dividends plus rental expense.
- Interest Cover: FFO plus gross interest paid plus preferred dividends divided by gross interest paid plus preferred dividends.
- FCF/Revenue: FCF after dividends divided by revenue.
- FFO/Debt: FFO divided by gross debt plus lease adjustment minus equity credit for hybrid instruments plus preferred stock.

Fitch's expectations are based on the agency's internally produced, conservative rating case forecasts. They do not represent the forecasts of rated issuers individually or in aggregate. Key Fitch forecasts assumptions include:

- Retail sales growth of less than 1% annually.
- Annual rate increases through FRP proceedings.
- No resolution of Like Kind Exchange issue in forecast period.
- Dividend payout ratio of no more than 70%.

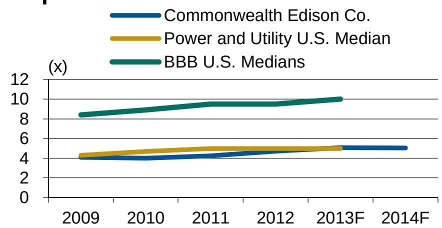
Key Metrics

Leverage: Total Adj. Debt/Op. EBITDAR



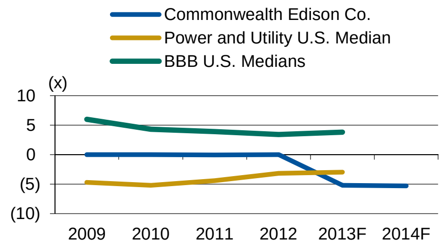
F – Forecast.
Source: Company data, Fitch.

Int. Coverage: Op EBITDA/Gross Int. Exp.



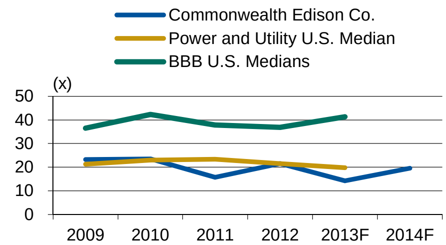
F – Forecast.
Source: Company data, Fitch.

FCF/Revenues



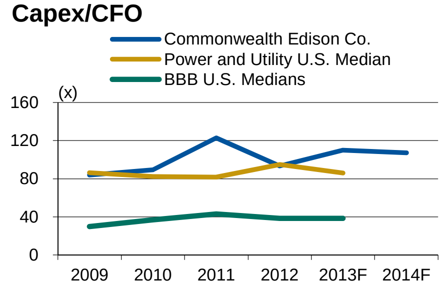
F – Forecast.
Source: Company data, Fitch.

FFO/Debt



F – Forecast.
Source: Company data, Fitch.

Capex/CFO



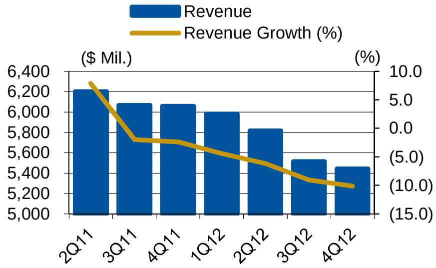
F – Forecast.
Source: Company data, Fitch.

Company Profile

Comed, a wholly owned subsidiary of EXC, is a regulated electric distribution and transmission utility serving approximately 3.8 million customers in northern Illinois, including the city of Chicago. The company supplies electricity to customers as the provider of last resort (POLR), but bears no commodity price risk. POLR supply costs are recovered from customers and adjusted monthly.

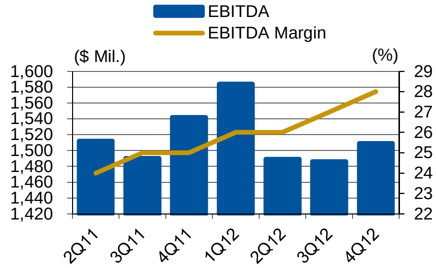
Business Trends

Revenue Dynamics



Source: Company data, Fitch.

EBITDA Dynamics



Source: Company data, Fitch.

Financial Summary — Commonwealth Edison Co.

($ Mil., Fiscal Years Ended Dec. 31)	2008	2009	2010	2011	LTM Ended 12/31/12
Fundamental Ratios (x)					
FFO/Interest Expense	4.23	4.50	4.08	3.54	4.85
CFO/Interest Expense	4.05	4.06	3.71	3.30	5.17
FFO/Debt (%)	23.13	23.28	23.53	15.73	21.46
Operating EBIT/Interest Expense	1.90	2.55	2.68	2.72	2.78
Operating EBITDA/Interest Expense	3.25	4.08	4.00	4.25	4.72
Operating EBITDAR/(Interest Expense + Rent)	3.07	3.84	3.84	4.05	4.53
Debt/Operating EBITDA	4.29	3.69	3.28	3.80	3.80
Common Dividend Payout (%)	—	64.17	91.99	72.11	27.70
Internal Cash/Capital Expenditures (%)	113.22	91.34	79.73	52.14	98.64
Capital Expenditures/Depreciation (%)	198.96	168.11	182.89	185.56	201.29
Profitability					
Adjusted Revenues	6,136	5,774	6,204	6,056	5,443
Net Revenues	2,554	2,709	2,897	3,021	3,136
Operating and Maintenance Expense	1,125	1,091	1,069	1,201	1,345
Operating EBITDA	1,152	1,357	1,588	1,542	1,509
Depreciation and Amortization Expense	479	508	526	554	619
Operating EBIT	673	849	1,062	988	890
Gross Interest Expense	354	333	397	363	320
Net Income for Common	201	374	337	416	379
Operating and Maintenance Expense % of Net Revenues	44.05	40.27	36.90	39.76	42.89
Operating EBIT % of Net Revenues	26.35	31.34	36.66	32.70	28.38
Cash Flow					
Cash Flow from Operations	1,079	1,020	1,077	836	1,334
Change in Working Capital	(63)	(147)	(147)	(86)	103
Funds from Operations	1,142	1,167	1,224	922	1,231
Dividends	—	(240)	(310)	(300)	(105)
Capital Expenditures	(953)	(854)	(962)	(1,028)	(1,246)
FCF	126	(74)	(195)	(492)	(17)
Net Other Investment Cash Flow	(5)	20	23	15	6
Net Change in Debt	(175)	78	132	662	(100)
Net Equity Proceeds	14	8	2	—	—
Capital Structure					
Short-Term Debt	60	155	—	—	—
Long-Term Debt	4,878	4,857	5,201	5,860	5,736
Total Debt	**4,938**	**5,012**	**5,201**	**5,860**	5,736
Total Hybrid Equity and Minority Interest	155	155	103	103	103
Common Equity	6,735	6,882	6,910	7,037	7,323
Total Capital	**11,828**	**12,049**	**12,214**	**13,000**	**13,162**
Total Debt/Total Capital (%)	41.75	41.60	42.58	45.08	43.58
Total Hybrid Equity and Minority Interest/Total Capital (%)	1.31	1.29	0.84	0.79	0.78
Common Equity/Total Capital (%)	56.94	57.12	56.57	54.13	55.64

Source: Company reports.

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Exelon Corp.

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	BBB+
Short-Term IDR	F2
Senior Unsecured	BBB+
Subordinated	BBB–
Commercial Paper	F2

IDR – Issuer Default Rating.

Rating Outlook

Long-Term Foreign-Currency IDR	Stable

Financial Data

Exelon Corp.

($ Mil.)	12/31/12	12/31/11
Revenue	23,407	18,924
Gross Margin	13,250	11,796
Operating EBITDA	4,358	5,890
Net Income	1,160	2,495
CFFO	6,068	4,853
Total Debt	18,518	13,625
Total Capitalization	40,841	28,252
Capex/Depreciation	321.92	306.22

Related Research

Baltimore Gas and Electric Company (April 2013)

Commonwealth Edison Company (April 2013)

Exelon Generation Company, LLC (April 2013)

PECO Energy Company (April 2013)

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Key Rating Drivers

Proactive Management Actions: Exelon Corp.'s (EXC) ratings are supported by recent steps taken by management to reduce financial commitments and solidify credit quality in the face of persistently low power prices that are pressuring wholesale and retail profit margins at its merchant generation subsidiary. The positive actions include reductions in both capex and the common dividend. Fitch Ratings consequently expects financial metrics to remain strong during a low point in the commodity cycle, and to compare favorably to Fitch's target ratios and their respective peer groups.

Dividend Reduction: EXC reduced its dividend 40%, saving nearly $750 million annually. Fitch expects EXC's merchant generation subsidiary Exelon Generation Company, LLC (Exgen) to be the primary beneficiary of the dividend reduction, and for Exgen to apply available cash to retire maturing debt. The new dividend takes effect in the second quarter of 2013.

Reduced Capex: In November 2012, management lowered Exgen's capex budget by $2.3 billion over the 2013–2017 period. The reductions include approximately $1.025 billion from deferring planned nuclear uprates and $1.25 billion from eliminating unidentified wind and solar investments. The reductions meaningfully reduced pressure on credit quality measures. Any incremental investments are expected to be contracted renewables, regulated utilities, or distressed merchant assets in regions with a well-functioning capacity market and/or tight reserve position.

Low Commodity Price Environment: Low power prices, weak demand, and aggressive competitive pricing behavior have adversely affected wholesale and retail margins, and Fitch expects them to persist for several more years, keeping pressure on credit quality measures. The situation is exacerbated by rising nuclear operating, fuel, and maintenance costs.

Utility Earnings Contribution: The consolidated ratings also consider the contributions of EXC's three regulated utilities, which account for about 50% of consolidated earnings and cash flow. The utilities have limited commodity price risk and a relatively predictable earnings stream, balancing the more volatile earnings and cash flow of the commodity-sensitive merchant business. Each of the utilities has large capex programs that will require ongoing rate support and external financings.

Financial Position: The combined reductions of the common stock dividend and capex have solidified EXC's consolidated financial position. Fitch estimates EXC's adjusted ratio of FFO/interest to be in excess of 6.0x over the next several years and FFO/debt to be approximately 30%.

Rating Sensitivities

Positive Action: A positive rating action is unlikely in the current power price environment.

Negative Action: Lack of rate support for utility infrastructure investments or changes in the commodity cost recovery provisions in Illinois, Pennsylvania, or Maryland could weaken credit metrics of the individual utilities and the parent. A more aggressive growth strategy that increases business risk and/or leverage, a sustained nuclear outage, or a change in hedging strategy at Exgen could also be triggers for a downward rating action.

Financial Overview

Liquidity and Debt Structure

Cash flow from operations, commercial paper borrowings, committed bank credit facilities, and capital market access provide ample liquidity. EXC and each of its operating subsidiaries maintain separate credit facilities that aggregate $8.4 billion, including $500 million at EXC and $5.7 billion at Exgen. Credit facilities at the utilities total $2.2 billion, including $1 billion at Commonwealth Edison Co. (Comed) and $600 million at both PECO Energy Co. (PECO) and Baltimore Gas & Electric Co. (BGE). All revolving credit facilities extend to 2017, except for Comed's, which has been extended to 2018. Subsidiaries Exgen and PECO also participate in a corporate money pool. Comed and BGE are excluded from the money pool due to ring-fencing measures. Available cash at Dec. 31, 2012 was $1.5 billion, mostly housed at Exgen, which should provide opportunities to retire maturing debt. Annual debt maturities are expected to be manageable, but will require capital market access, particularly at the utilities.

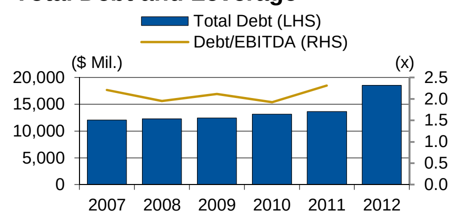
Debt Maturities and Liquidity

($ Mil., At Dec. 31, 2012)

2013	979
2014	1,483
2015	1,613
2016	1,041
After 2016	13,829
Cash and Cash Equivalents	1,486
Undrawn Committed Facilities	6,479

Source: Company data, Fitch.

Total Debt and Leverage

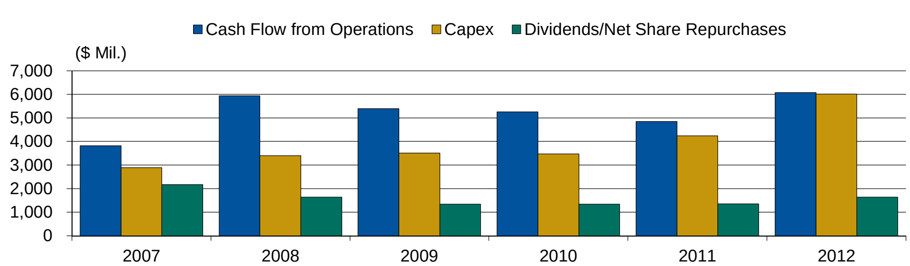


Source: Company data, Fitch.

Cash Flow Analysis

EXC's cash flow position has been strengthened considerably by the recently announced reduction in the common stock dividend and cutbacks in growth capex within the merchant business. Forecast capex of $15.6 billion over the three year period from 2013 to 2015 reflects increasing utility investments and declining investment in the merchant business. The three utilities account for approximately $8 billion, or 51%, of capex, and the merchant business accounts for the remaining $7.6 billion. Fitch expects internally generated funds, after dividends, to supply approximately 90% of consolidated capex over the next three years, with the merchant business being FCF positive.

CFO and Cash Use



Source: Company data, Fitch.

Related Criteria

Recovery Ratings and Notching Criteria for Utilities (November 2012)

Corporate Rating Methodology (August 2012)

Parent and Subsidiary Rating Linkage (August 2012)

Peer and Sector Analysis

Peer Group

Issuer	Country
BBB+	
Exelon Corp.	United States
Public Service Enterprise Group Incorporated	United States
BBB	
PPL Corporation	United States
BBB–	
FirstEnergy Corporation	United States

Source: Fitch.

Issuer Rating History

Date	LT IDR (FC)	Outlook/ Watch
Feb. 8, 2013	BBB+	Stable
March 12, 2012	BBB+	Stable
April 28, 2011	BBB+	Stable
Jan. 24, 2011	BBB+	Stable
Jan. 25, 2010	BBB+	Stable
July 21, 2009	BBB+	Stable
Oct. 20, 2008	BBB+	RWN
May 30, 2008	BBB+	Stable
Aug. 29, 2007	BBB+	Stable
Jan. 18, 2007	BBB+	Stable
Nov. 17, 2006	BBB+	Stable
Dec. 6, 2005	BBB+	Stable
Dec. 20, 2004	BBB+	Stable
May 2, 2001	BBB+	Stable
Oct. 20, 2000	BBB	—

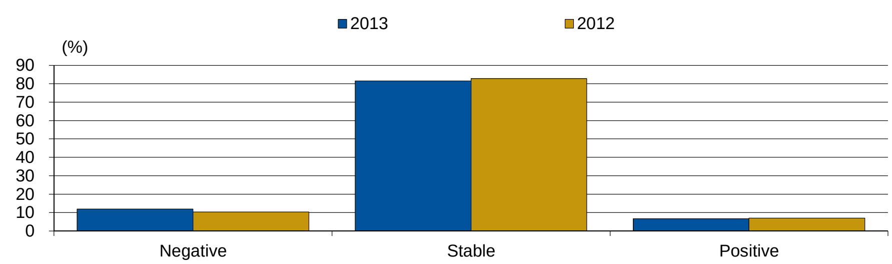
LT IDR (FC) – Long-term Issuer Default Rating (foreign currency).
RWN – Rating Watch Negative.
Source: Fitch.

Peer and Sector Analysis

	Exelon Corp.	Public Service Enterprise Group Incorporated	PPL Corporation	FirstEnergy Corporation
LTM as of	12/31/12	12/31/12	12/31/12	12/31/12
Long-Term IDR	BBB+	BBB+	BBB	BBB–
Outlook	Stable	Stable	Stable	Stable
Financial Statistics ($ Mil.)				
Revenue	23,407	9,517	12,286	15,213
EBITDA	4,358	3,068	4,209	3,720
FCF	(1,655)	(781)	(1,191)	(1,655)
Total Adjusted Debt	18,518	7,437	17,760	19,391
Funds Flow from Operations	5,866	2,625	3,057	2,236
Capex	(6,007)	(2,574)	(3,120)	(3,004)
Credit Metrics (x)				
EBITDA/Gross Interest Coverage	4.19	7.19	4.15	3.54
FFO/Debt	31.68	35.3	17.21	11.53
Debt/EBITDA	4.25	2.42	4.22	5.21
FFO Interest Coverage	6.64	7.15	4.02	3.13
Capex/Depreciation (%)	321.92	307.16	283.64	201.07

IDR – Issuer Default Rating.
Source: Company data, Fitch.

Sector Outlook Distribution



Source: Fitch.

Key Rating Issues

Merchant Operations

The operating environment for EXC's merchant generation business is expected to remain challenging, with sluggish demand and low natural gas and power prices likely to persist for several years. Favorably, the recently announced reductions in the common stock dividend and merchant capital investments will reduce cash outflows by more than $5 billion over the next five years, easing the pressure on cash flow and credit quality measures during a low point in the commodity cycle. Moreover, the largely nuclear-fueled generating fleet is well positioned to benefit from any uplift in power prices from higher environmental costs on fossil units and plant retirements.

Regulated Operations

EXC's three regulated transmission and distribution utilities provide predictable cash flows from relatively low-risk operations. The three utilities are expected to provide roughly 50% of earnings and 45%–50% of cash flow over the next several years. Each of the utilities operates with fuel recovery mechanisms that limit commodity price risk, balancing the more volatile commodity exposure of the merchant generation business. Each of the utilities is in the midst of a large capex program designed to enhance reliability and install smart meters that will require ongoing rate support.

Both Illinois and Pennsylvania have implemented formula-based rate plans that should reduce regulatory lag. Illinois implemented a formula-based rate plan (FRP) in October 2011 that fundamentally changed regulation of electric delivery service. While the FRP remains less favorable than initially expected by Fitch, it provides for annual rate adjustments, recognizes planned capital additions, and includes a true-up mechanism that combine to reduce, albeit not eliminate, rate lag. The primary negatives are a relatively low formula-based return on equity (ROE) and reliance on an average, rather than year-end, rate base, which reduces the revenue requirement.

In Pennsylvania, HB 1294 was signed into law in February 2012. The legislation is intended to encourage utilities to invest in infrastructure by providing cost recovery through an automatic adjustment mechanism. Under the law, utilities will file a long-term infrastructure improvement plan starting in 2013, and the Pennsylvania Public Utility Commission (PUC) will establish a distribution system investment charge (DSIC) to recover the invested capital. The DSIC will be updated quarterly. The new legislation also allows rate filings to include fully forecast test years, significantly reducing regulatory lag.

Rate Adjustments

Comed implemented a $72.6 million rate increase effective Jan. 1, 2013. The rate decision was the second under the FRP process and was more constructive than the previous FRP order, but continues to rely on an average, rather than year-end, rate base and capital structure. The allowed ROE was 9.71% based on the pre-established formula (3.91% 30-year Treasury yield plus 580 bps), compared with 10.05% in the prior case. Prospectively, Comed will file an annual FRP each May, with new rates effective the following January. There is limited downside on the ROE since Treasury rates are unlikely to fall.

BGE was authorized electric and gas rate increases of $80.6 million and $32.4 million, respectively, effective Feb. 23, 2013. The tariff adjustments were the first change in electric and gas distribution rates since December 2010. Overall, Fitch considers the rate decision to be relatively balanced, but rate lag remains an issue, particularly during this period of rising costs and infrastructure investments and flat sales growth. In particular, the decision relied on a historical test year with limited forward adjustments that will likely preclude BGE from earning its allowed ROE.

Like-Kind Exchange

EXC's exposure to the IRS's disallowance of the tax benefits associated with a like-kind-exchange transaction is a credit concern. However, the issue is not likely to be resolved for several years and was not factored into the current rating, as the company plans to litigate. The IRS has asserted the transaction is substantially similar to a sale-in, lease-out (SILO) leasing transaction and does not qualify for a tax deduction. Recently, the U.S. Court of Appeals for the Federal Circuit disallowed Consolidated Edison Co.'s deductions stemming from a lease-in, lease-out (LILO) transaction similar to a SILO. As of Jan. 28, 2013, EXC's potential tax and after-tax interest that could become payable, excluding penalties, is $860 million, of which $260 million would be paid by Comed.

Organizational Structure

Organizational Structure — Exelon Corp.

($ Mil., As of Dec. 31, 2012)

Exelon Corp.
IDR: BBB+

4.900% Sr. Unsecured Notes due 6/15/15	800
4.550% Sr. Secured Notes due 6/15/15	550
5.150% Sr. Secured Notes due 12/1/20	550
7.600% Sr. Secured Notes due 4/1/32	258
5.625% Sr. Unsecured Notes due 6/15/35	500

Exelon Generation Company
IDR: BBB+

5.350% Sr. Unsecured Notes due 1/15/14	500
6.200% Sr. Unsecured Notes due 10/1/17	700
5.200% Sr. Unsecured Notes due 10/1/19	600
4.000% Sr. Unsecured Notes due 10/1/20	550
4.250% Sr. Unsecured Notes due 6/15/22	523
6.250% Sr. Unsecured Notes due 10/1/39	900
5.750% Sr. Unsecured Notes due 10/1/41	350
5.600% Sr. Unsecured Notes due 6/15/42	788
Project-Related Debt	181

Constellation Nuclear LLC
NR

Constellation NewEnergy Inc.
NR

Constellation Energy Commodities Group Inc.
NR

Other Subsidiaries

Exelon Business Services Company LLC	NR
Exelon Transmission Company LLC	NR

Exelon Energy Delivery Company LLC
NR

RF HoldCo LLC

Baltimore Gas and Electric
IDR: BBB

6.125% Sr. Unsecured Notes due 7/1/13	400
5.900% Sr. Unsecured Notes due 10/1/16	300
3.500% Sr. Unsecured Notes due 11/15/21	300
2.800% Sr. Unsecured Notes due 8/15/22	250
5.200% Sr. Unsecured Notes due 6/15/33	200
6.350% Sr. Unsecured Notes due 10/1/36	400

PECO Energy Co.
IDR: BBB+

5.600% Sr. Secured Bonds due 10/15/13	300
5.000% Sr. Secured Bonds due 10/1/14	250
5.350% Sr. Secured Bonds due 3/1/18	500
2.375% Sr. Secured Bonds due 9/15/22	350
5.900% Sr. Secured Bonds due 5/1/34	75
5.950% Sr. Secured Bonds due 10/1/36	300
5.700% Sr. Secured Bonds due 3/15/37	175

Commonwealth Edison Co.
IDR: BBB–

7.625% Sr. Secured Bonds due 4/15/13	125
7.500% Sr. Secured Bonds due 7/1/13	127
1.625% Sr. Secured Bonds due 1/15/14	600
4.700% Sr. Secured Bonds due 4/15/15	260
5.950% Sr. Secured Bonds due 8/15/16	415
1.950% Sr. Secured Bonds due 9/1/16	250
6.150% Sr. Secured Bonds due 9/15/17	425
5.800% Sr. Secured Bonds due 3/15/18	700
4.000% Sr. Secured Bonds due 8/1/20	500
3.400% Sr. Secured Bonds due 9/1/21	350
5.875% Sr. Secured Bonds due 2/1/33	254
5.900% Sr. Secured Bonds due 3/15/36	625
6.450% Sr. Secured Bonds due 1/15/38	450
3.800% Sr. Secured Bonds due 10/1/42	350
6.950% Sr. Unsecured Notes due 7/15/18	140

IDR – Issuer Default Rating. NR – Not rated.
Source: Company filings, Bloomberg, and Fitch Ratings.

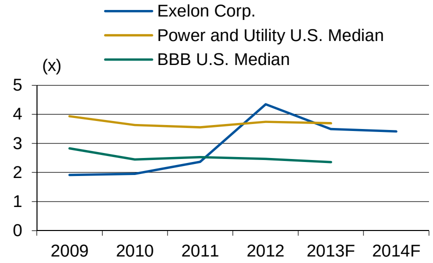
Definitions

- Leverage: Gross debt plus lease adjustment minus equity credit for hybrid instruments plus preferred stock divided by FFO plus gross interest paid plus preferred dividends plus rental expense.
- Interest Cover: FFO plus gross interest paid plus preferred dividends divided by gross interest paid plus preferred dividends.
- FCF/Revenue: FCF after dividends divided by revenue.
- FFO/Debt: FFO divided by gross debt plus lease adjustment minus equity credit for hybrid instruments plus preferred stock.

Fitch's expectations are based on the agency's internally produced, conservative rating case forecasts. They do not represent the forecasts of rated issuers individually or in aggregate. Key Fitch forecasts assumptions include:

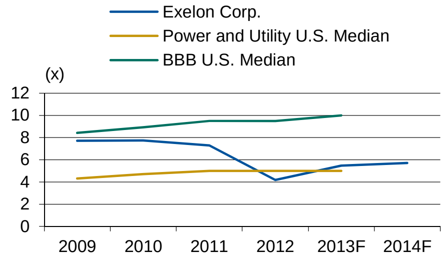
- Gas and power prices in line with current forwards.
- Utility sales growth of less than 1% annually.
- Annual rate increases for Comed and BGE.
- Discretionary renewable investments, if any, are funded with non-recourse debt.
- Continuation of all existing cost recovery clauses.

Leverage: Total Adjusted Debt/ Operating EBITDAR



F – Forecast.
Source: Company data, Fitch.

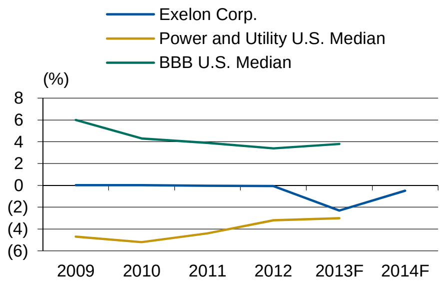
Interest Coverage: Operating EBITDA/ Gross Interest Expense



F – Forecast.
Source: Company data, Fitch.

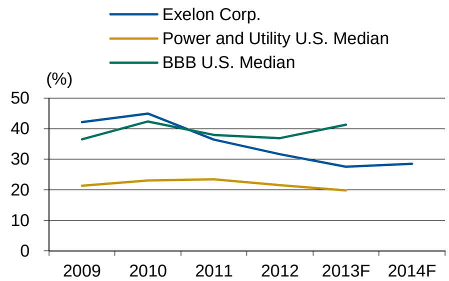
Key Metrics

FCF/Revenues



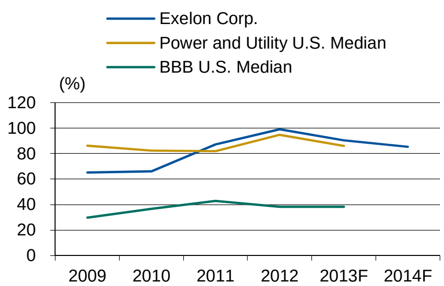
F – Forecast.
Source: Company data, Fitch.

FFO/Debt



F – Forecast.
Source: Company data, Fitch.

Capex/CFO



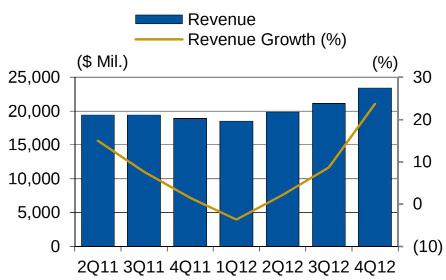
F – Forecast.
Source: Company data, Fitch.

Company Profile

Exelon Corp. is an energy holding company engaged through its primary subsidiaries in wholesale power generation, retail energy marketing, and regulated electric and natural gas delivery operations. EXC completed its merger with Constellation Energy Group on March 12, 2012, with EXC continuing as the surviving entity. The merger added a third regulated transmission and distribution utility (BGE) and a large retail customer supply business that is complementary and synergistic to EXC's merchant generation business. After the merger, the regulated and competitive businesses are each expected to provide roughly 50% of EBITDA, which is not meaningfully different than the premerger contributions. The regulated subsidiaries operate in Illinois, Pennsylvania, and Maryland.

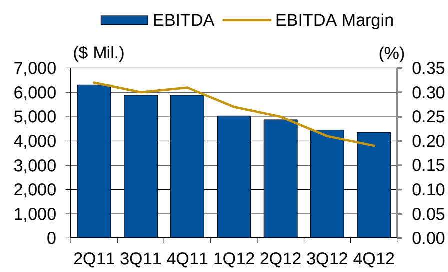
Business Trends

Revenue Dynamics



Source: Company data, Fitch.

EBITDA Dynamics



Source: Company data, Fitch.

Pension Analysis

Pension Analysis — Exelon Corp.

(Years Ended Dec. 31)	2010	2011	2012
PBO (Under)/Over Funded Status (Global, $ Mil.)	(3,665)	(2,236)	(3,443)
Pension Funded Status (U.S. Only, %)	71	83	80
Estimated Pension Outflows (U.S.)/(FFO + Pension Contribution) (%)	10.71	7.52	12.84

Company data, Fitch.

Financial Summary — Exelon Corp.

($ Mil., Fiscal Years Ended Dec. 31)	2008	2009	2010	2011	LTM Ended 12/31/12
Fundamental Ratios (x)					
FFO/Interest Expense	7.19	7.84	7.64	7.13	6.64
CFO/Interest Expense	8.47	8.04	6.92	6.99	6.83
FFO/Debt (%)	40.08	42.12	44.88	36.43	31.68
Operating EBIT/Interest Expense	6.58	6.18	5.35	5.56	2.39
Operating EBITDA/Interest Expense	7.91	7.69	7.73	7.27	4.19
Operating EBITDAR/(Interest Expense + Rent)	7.28	7.06	7.21	6.66	3.86
Debt/Operating EBITDA	1.95	2.11	1.92	2.31	4.25
Common Dividend Payout (%)	48.78	50.99	53.96	55.83	146.54
Internal Cash/Capital Expenditures (%)	135.42	114.15	111.44	81.7	72.45
Capital Expenditures/Depreciation (%)	320.04	302.24	164.33	306.22	321.92
Profitability					
Adjusted Revenues	18,149	16,558	18,644	18,924	23,407
Net Revenues	11,567	11,277	12,209	11,796	13,250
Operating and Maintenance Expense	4,566	4,675	4,600	5,196	7,961
Operating EBITDA	6,292	5,892	6,865	5,890	4,358
Depreciation and Amortization Expense	1,063	1,162	2,111	1,383	1,866
Operating EBIT	5,229	4,730	4,754	4,507	2,492
Gross Interest Expense	795	766	888	810	1,041
Net Income for Common	2,737	2,716	2,574	2,495	1,160
Operating and Maintenance Expense % of Net Revenues	39.47	41.46	37.68	44.05	60.08
Operating EBIT % of Net Revenues	45.21	41.94	38.94	38.21	18.81
Cash Flow					
Cash Flow from Operations	5,942	5,394	5,255	4,853	6,068
Change in Working Capital	1,023	158	(644)	(110)	202
Funds From Operations	4,919	5,236	5,899	4,963	5,866
Dividends	(1,335)	(1,385)	(1,389)	(1,393)	(1,716)
Capital Expenditures	(3,402)	(3,512)	(3,469)	(4,235)	(6,007)
FCF	1,205	497	397	(775)	(1,655)
Net Other Investment Cash Flow	24	41	468	19	1,081
Net Change in Debt	(576)	(551)	(391)	571	685
Net Equity Proceeds	(306)	42	48	38	72
Capital Structure					
Short-Term Debt	211	155	225	388	210
Long-Term Debt	12,060	12,273	12,919	13,237	18,308
Total Debt	**12,271**	**12,428**	**13,144**	**13,625**	**18,518**
Total Hybrid Equity and Minority Interest	358	358	243	242	892
Common Equity	11,047	12,640	13,560	14,385	21,431
Total Capital	**23,676**	**25,426**	**26,947**	**28,252**	**40,841**
Total Debt/Total Capital (%)	51.83	48.88	48.78	48.23	45.34
Total Hybrid Equity and Minority Interest/Total Capital (%)	1.51	1.41	0.90	0.86	2.18
Common Equity/Total Capital (%)	46.66	49.71	50.32	50.92	52.47

Source: Company reports.

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

MOODY'S
INVESTORS SERVICE

Credit Opinion: Commonwealth Edison Company

Global Credit Research - 05 Mar 2012

Chicago, Illinois, United States

Ratings

Category	Moody's Rating
Outlook	Stable
Issuer Rating	Baa2
First Mortgage Bonds	A3
Senior Secured Shelf	(P)A3
Senior Unsecured	Baa2
Commercial Paper	P-2
Parent: Exelon Corporation	
Outlook	Rating(s) Under Review
Issuer Rating	*Baa1
Senior Unsecured	*Baa1
Subordinate Shelf	*(P)Baa2
Pref. Shelf	*(P)Baa3
Commercial Paper	P-2
ComEd Financing III	
Outlook	Stable
BACKED Pref. Stock	Baa3

* Placed under review for possible downgrade on April 28, 2011

Contacts

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Key Indicators

[1]**Commonwealth Edison Company**

	2011	2010	2009	2008
(CFO Pre-W/C + Interest) / Interest Expense	**5.2x**	**3.9x**	**4.0x**	**3.9x**
(CFO Pre-W/C) / Debt	**25%**	**20%**	**20%**	**18%**
(CFO Pre-W/C - Dividends) / Debt	**21%**	**15%**	**16%**	**18%**
Debt / Book Capitalization	**38%**	**39%**	**40%**	**42%**

[1] All ratios calculated in accordance with the Global Regulated Electric Utilities Rating Methodology using Moody's standard adjustments.

Note: For definitions of Moody's most common ratio terms please see the accompanying User's Guide.

Opinion

Rating Drivers