

Commonwealth Edison Company
Actuarially Determined Pension and OPEB Expense for 2014
(In Dollars)

| Line | Description | Amount |
|------|---|----------------------|
| 1 | <u>Pension Cost (Before Jurisdictional Allocation)</u> | |
| 2 | <u>Qualified Plans:</u> | |
| 3 | Exelon Corp Retirement Program | \$ 141,431,689 (1) |
| 4 | Exelon Corp Cash Balance Pension Plan | 9,115,745 (1) |
| 5 | Exelon Pension Plan - BU Employees | 2,665,888 (1) |
| 6 | Exelon Employee Pension Plan for Clinton, TMI, and Oyster Creek | 31,555 (1) |
| 7 | Pension Plan of Constellation Energy Group | 29,859 (1) |
| 8 | Qualified Pension subtotal (Sum Line 3 through Line 7) | \$ 153,274,736 |
| 9 | <u>Non- Qualified Plans:</u> | |
| 10 | Supplemental Pension | \$ 94,896 (2) |
| 11 | Supplemental Management Retirement | 1,465,780 (2) |
| 12 | Non Qualified Pension Subtotal (Line 10 + Line 11) | \$ 1,560,676 |
| 13 | Total Pension Plans (Line 8 + Line 12) | 154,835,412 |
| 14 | <u>Other Plans</u> | |
| 15 | SERP (non qualified) plan settlement | \$ (2,115) (2) |
| 16 | Deferred Compensation Unit (DCU) Plan | 2,107,420 (4) |
| 17 | Subtotal SERP and DCU Plans (Line 15 + Line 16) | \$ 2,105,305 |
| 18 | Pensions Total Per Actuarial Reports (Line 13 + Line 17) | \$ 156,940,717 |
| 19 | PLUS Miscellaneous Adjustments | (5) |
| 20 | Pension Total Cost (Line 18 + Line 19) | 156,940,717 |
| 21 | Amount Expensed | \$ 84,427,577 (6) |
| 22 | Percentage of Total Cost Expensed (Line 21/Line 20) | 53.8% |
| 23 | Jurisdictional Allocator | 87.74% (7) |
| 24 | Jurisdictional Pension Expense (Line 21 * Line 23) | \$ 74,076,756 |
| 25 | <u>OPEB Cost (Before Jurisdictional Allocation)</u> | |
| 26 | Exelon West Postretirement Plans | \$ 7,121,290 (3) |
| 27 | PLUS Miscellaneous adjustments | 1,854 (3) |
| 28 | OPEB Total Cost (Line 26 + Line 27) | 7,123,144 |
| 29 | | |
| 30 | Amount Expensed | \$ 3,794,778 (6) |
| 31 | Percentage of total cost expensed (Line 30/Line 28) | 53.3% |
| 32 | Jurisdictional OPEB Expense (Line 23 * Line 30) | \$ 3,329,538 |

NOTES

- (1) See Page 2.
(2) See Page 3.
(3) See Page 4.
(4) See Page 10. Amount is equal to 86.41% (the percentage of payments from DCU plans made to ComEd retirees) of the Total Cost Accrual of \$2,438,734
(5) Variance from actuarial reports due to rounding.
(6) Per ComEd General Ledger.
(7) See WPA-5, Page 1

Exelon Corporation

Deferred Compensation Unit Plans

**Actuarial Valuation Report
Benefit Cost for Fiscal Year Ending
December 31, 2014 under U.S. GAAP**

June, 2014

TOWERS WATSON The logo for Towers Watson, featuring the company name in a bold, black, sans-serif font followed by a stylized red 'w' symbol.

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Deferred Compensation Unit Plans

1

Summary of valuation results as of January 1, 2014

| | ComEd | Exelon [*] | Total |
|--|--------------------|---------------------|--------------------|
| Employee data | | | |
| Count of individuals in valuation | | | |
| Active | 0 | 7 | 7 |
| Inactive participants | 288 | 612 | 900 |
| Surviving spouses | <u>162</u> | <u>40</u> | <u>202</u> |
| | 450 | 659 | 1,109 |
| | | | |
| Number of units outstanding | | | |
| Active | 0 | 5,890 | 5,890 |
| Inactive participants | 366,742 | 1,527,676 | 1,894,418 |
| Surviving spouses | <u>165,451</u> | <u>52,332</u> | <u>217,783</u> |
| | 532,193 | 1,585,898 | 2,118,091 |
| | | | |
| Average remaining future lifetime | 8.0638 | 18.7762 | |
| Valuation results | | | |
| Projected benefit obligation | | | |
| Active | 0 | (100,795) | (100,795) |
| Inactive participants | (9,278,437) | (26,638,597) | (35,917,034) |
| Surviving spouses | <u>(2,926,586)</u> | <u>(735,087)</u> | <u>(3,661,673)</u> |
| Total | (12,205,023) | (27,474,479) | (39,679,502) |
| Benefit cost accrual | | | |
| Interest on projected benefit obligation | 549,620 | 1,270,088 | 1,819,708 |
| Amortization of unrecognized (gain)/loss | <u>554,246</u> | <u>64,780</u> | <u>619,026</u> |
| Total cost accrual | 1,103,866 | 1,334,868 | 2,438,734 |
| Funded status | | | |
| Fair value of plan assets | 0 | 0 | 0 |
| Benefit obligations | (12,205,023) | (27,474,479) | (39,679,502) |
| Funded status | (12,205,023) | (27,474,479) | (39,679,502) |
| Amount recognized, end of year | (12,205,023) | (27,474,479) | (39,679,502) |
| Amounts recognized in the statement of financial position consist of: | | | |
| Noncurrent benefit asset | 0 | 0 | 0 |
| Current benefit liability | (1,527,125) | (2,052,696) | (3,579,821) |
| Noncurrent benefit liability | (10,677,898) | (25,421,783) | (36,099,681) |
| Amounts recognized in accumulated other comprehensive income (pretax) consist of: | | | |
| Net actuarial (gain)/loss | 4,469,328 | 1,216,329 | 5,685,657 |
| Assumptions | | | |
| Discount Rate | 4.80% | 4.80% | 4.80% |
| Annual Dividend Rate | \$2.417 | \$1.240 | n/a |

^{*} Formerly Unicom Plan.

Purposes of valuation

Exelon Corporation retained Towers Watson Pennsylvania Inc. ("Towers Watson"), to perform an actuarial valuation of its Deferred Compensation Unit Plans for the purpose of determining its benefit cost in accordance with FASB Accounting Standards Codification Topic 715 (ASC 715-30).

Actuarial certification

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. However, please note the information discussed below regarding this valuation.

Reliances

In preparing the results presented in this report, we have relied upon information regarding plan provisions and participants provided by Exelon Corporation. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. Based on discussions with and concurrence by the plan sponsor, assumptions or estimates may have been made if data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations. We have relied on all the information provided as complete and accurate. The results presented in this report are directly dependent upon the accuracy and completeness of the underlying data and information. Any material inaccuracy in the data, plan provisions or other information provided to us in connection with this valuation may have produced results that are not suitable for the purposes of this report and such inaccuracies, as corrected by Exelon Corporation, may produce materially different results that could require that a revised report be issued.

Assumptions and methods under ASC 715-30-35

As required by U.S. GAAP, the actuarial assumptions and methods employed in the development of the benefit cost have been selected by the plan sponsor. Towers Watson has concurred with these assumptions and methods. ASC 715-30-35 requires that each significant assumption "individually represent the best estimate of a particular future event."

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for deferred taxes. Any deferred tax effects in AOCI should be determined in consultation with Exelon Corporation's tax advisors and auditors.

Nature of actuarial calculations

The results shown in this report are estimates based on data that may be imperfect and on assumptions about future events which cannot be predicted with certainty. The effects of certain plan provisions may be approximated, or determined to be insignificant and therefore not valued. Reasonable efforts were made in preparing this valuation to confirm that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and are not excluded or included inappropriately. The numbers shown in this report are not rounded, but this is for convenience only and should not imply precision, which is not a characteristic of actuarial calculations.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period); and changes in plan provisions or applicable law.

Limitations on use

This report is provided subject to the terms set out herein and in our engagement letter, dated August 5, 2011, and any accompanying or referenced terms and conditions.

The information contained in this report was prepared for the internal use of Exelon Corporation, its auditors, and any organization which provides benefit administration services for this plan in connection with our actuarial valuation of the pension plan as described in Purposes of Valuation above. It is not intended for and may not be used for other purposes, and we accept no responsibility or liability in this regard. Exelon Corporation may distribute this actuarial valuation report to the appropriate authorities who have the legal right to require Exelon Corporation to provide them this report, in which case Exelon Corporation will use best efforts to notify Towers Watson in advance of this distribution, and will include the non-reliance notice included at the end of this report. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Towers Watson's prior written consent. In the absence of such consent and an express assumption of responsibility, Towers Watson accepts no responsibility for any consequences arising from any third party relying on this report or any advice relating to its contents. There are no intended third-party beneficiaries of this report or the work underlying it.

Professional qualifications

The undersigned consulting actuaries are members of the Society of Actuaries and meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to pension plans. Our objectivity is not impaired by any relationship between Exelon Corporation and our employer, Towers Watson Pennsylvania Inc.



Tania E. Staffen, F.S.A., E.A.
Senior Consulting Actuary



Vicente E. G. Velarde Jr., A.S.A., E.A.
Consulting Actuary

Towers Watson Pennsylvania Inc.

June 2014

Appendix A: Statement of actuarial assumptions and methods

Economic Assumptions

| | |
|----------------------|---|
| Discount rate | 4.80% |
| Annual Dividend Rate | ComEd: The greater of \$2.417 per year or the guaranteed minimum dividend rate calculated for the participant. Exelon: The greater of \$1.240 per year or the guaranteed minimum dividend rate calculated for the participant. |
| Dividend Growth Rate | 0% |

Demographic Assumptions

| | |
|------------------------|---|
| Mortality | Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2029 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2021 using Scale AA) |
| Termination | None |
| Disability | None |
| Retirement | Age 60 |
| Form of payment | 100% contingent annuity for married participants, life annuity for surviving spouses. |
| Administrative Expense | None |
| Percent married | 100% married |
| Spouse age | Wife two years younger than husband |

Methods

| | |
|---|--|
| Measurement Date | January 1 |
| Service cost and projected benefit obligation | Projected unit credit |
| Amortization of unrecognized loss (gain) | Net loss (gain) is amortized on a straight-line basis over the average remaining future lifetime of the plan participants. |

Benefits Not Valued

All benefits described in Appendix B section of this report were valued.

Changes in Assumptions and Methods Since Prior Valuation

The discount rate for benefit obligations was changed from 3.92% to 4.80%.

The annual dividend rates for ComEd participants changed from \$1.732 to \$2.417.

The mortality tables for annuitants and non-annuitants were changed to reflect an additional year of mortality improvements.

Data Sources

The company furnished participant data as of January 1, 2014. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by the Towers Watson actuaries when data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Appendix B: Summary of plan provisions

Covered Employees

Any active officer or employee who is awarded Current Compensation Units or Retirement Compensation Units.

Effective Date

Most recent amendment October 25, 1995.

Definitions

| | |
|------------------------------|---|
| Current Compensation Unit | An award entitling the participant to receive, during the continued employment of the recipient, an amount in cash equal to the cash dividend on one share of Common Stock. |
| Retirement Compensation Unit | An award entitling the participant to receive, continuing for the lifetime of the recipient, an amount in cash equal to the cash dividend on one share of Common Stock. |

Benefits Paid Upon the Following Events

| | |
|---|---|
| Retirement | Dividend Rate multiplied by the amount of Retirement Compensation Units. |
| Termination | Dividend Rate multiplied by the amount of Current Compensation Units unless termination is voluntary, in which case Current Compensation Units terminate immediately. |
| Death with Pre-Retirement Spouse Benefits | Retirement benefit continues to spouse upon death of participant. |

Form of Payment

Benefit is paid for the participant's lifetime, with 100% continuation to the spouse upon the participant's death.

Plan Provisions Effective after January 1, 2006

ComEd: All participants given the option of a guaranteed minimum dividend rate.

Exelon: No future plan provisions were recognized in determining pension cost.