

EXELON CORP
Form 10-Q
May 02, 2018

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

FORM 10-Q

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

For the Quarterly Period Ended March 31, 2018

or

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

Commission File Number	Name of Registrant; State or Other Jurisdiction of Incorporation; Address of Principal Executive Offices; and Telephone Number	IRS Employer Identification Number
1-16169	EXELON CORPORATION (a Pennsylvania corporation) 10 South Dearborn Street P.O. Box 805379 Chicago, Illinois 60680-5379 (800) 483-3220	23-2990190
333-85496	EXELON GENERATION COMPANY, LLC (a Pennsylvania limited liability company) 300 Exelon Way Kennett Square, Pennsylvania 19348-2473 (610) 765-5959	23-3064219
1-1839	COMMONWEALTH EDISON COMPANY (an Illinois corporation) 440 South LaSalle Street Chicago, Illinois 60605-1028 (312) 394-4321	36-0938600
000-16844	PECO ENERGY COMPANY (a Pennsylvania corporation) P.O. Box 8699 2301 Market Street Philadelphia, Pennsylvania 19101-8699 (215) 841-4000	23-0970240
1-1910	BALTIMORE GAS AND ELECTRIC COMPANY (a Maryland corporation) 2 Center Plaza 110 West Fayette Street Baltimore, Maryland 21201-3708 (410) 234-5000	52-0280210
001-31403	PEPCO HOLDINGS LLC	52-2297449

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(a Delaware limited liability company)
701 Ninth Street, N.W.
Washington, District of Columbia 20068
(202) 872-2000

001-01072	POTOMAC ELECTRIC POWER COMPANY (a District of Columbia and Virginia corporation) 701 Ninth Street, N.W. Washington, District of Columbia 20068 (202) 872-2000	53-0127880
001-01405	DELMARVA POWER & LIGHT COMPANY (a Delaware and Virginia corporation) 500 North Wakefield Drive Newark, Delaware 19702 (202) 872-2000	51-0084283
001-03559	ATLANTIC CITY ELECTRIC COMPANY (a New Jersey corporation) 500 North Wakefield Drive Newark, Delaware 19702 (202) 872-2000	21-0398280

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

	Large Accelerated Filer	Accelerated Filer	Non-accelerated Filer	Smaller Reporting Company	Emerging Growth Company
Exelon Corporation	<input checked="" type="checkbox"/>				
Exelon Generation Company, LLC			<input checked="" type="checkbox"/>		
Commonwealth Edison Company			<input checked="" type="checkbox"/>		
PECO Energy Company			<input checked="" type="checkbox"/>		
Baltimore Gas and Electric Company			<input checked="" type="checkbox"/>		
Pepco Holdings LLC			<input checked="" type="checkbox"/>		
Potomac Electric Power Company			<input checked="" type="checkbox"/>		
Delmarva Power & Light Company			<input checked="" type="checkbox"/>		
Atlantic City Electric Company			<input checked="" type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The number of shares outstanding of each registrant's common stock as of March 31, 2018 was:

Exelon Corporation Common Stock, without par value	965,381,919
Exelon Generation Company, LLC	not applicable
Commonwealth Edison Company Common Stock, \$12.50 par value	127,021,264
PECO Energy Company Common Stock, without par value	170,478,507
Baltimore Gas and Electric Company Common Stock, without par value	1,000
Pepco Holdings LLC	not applicable
Potomac Electric Power Company Common Stock, \$0.01 par value	100
Delmarva Power & Light Company Common Stock, \$2.25 par value	1,000
Atlantic City Electric Company Common Stock, \$3.00 par value	8,546,017

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GLOSSARY OF TERMS AND ABBREVIATIONS

Exelon Corporation and Related Entities

Exelon	Exelon Corporation
Generation	Exelon Generation Company, LLC
ComEd	Commonwealth Edison Company
PECO	PECO Energy Company
BGE	Baltimore Gas and Electric Company
Pepco Holdings or PHI	Pepco Holdings LLC (formerly Pepco Holdings, Inc.)
Pepco	Potomac Electric Power Company
DPL	Delmarva Power & Light Company
ACE	Atlantic City Electric Company
Registrants	Exelon, Generation, ComEd, PECO, BGE, PHI, Pepco, DPL and ACE, collectively
Utility Registrants	ComEd, PECO, BGE, Pepco, DPL and ACE, collectively
Legacy PHI	PHI, Pepco, DPL and ACE, collectively
ACE Funding or ATF	Atlantic City Electric Transition Funding LLC
Antelope Valley	Antelope Valley Solar Ranch One
BondCo	RSB BondCo LLC
BSC	Exelon Business Services Company, LLC
CENG	Constellation Energy Nuclear Group, LLC
ConEdison Solutions	The competitive retail electricity and natural gas business of Consolidated Edison Solutions, Inc., a subsidiary of Consolidated Edison, Inc.
Constellation	Constellation Energy Group, Inc.
EEDC	Exelon Energy Delivery Company, LLC
EGR IV	ExGen Renewables IV, LLC
EGTP	ExGen Texas Power, LLC
Entergy	Entergy Nuclear FitzPatrick, LLC
Exelon Corporate	Exelon in its corporate capacity as a holding company
Exelon Transmission Company	Exelon Transmission Company, LLC
Exelon Wind	Exelon Wind, LLC and Exelon Generation Acquisition Company, LLC
FitzPatrick	James A. FitzPatrick nuclear generating station
PCI	Potomac Capital Investment Corporation and its subsidiaries
PEC L.P.	PECO Energy Capital, L.P.
PECO Trust III	PECO Capital Trust III
PECO Trust IV	PECO Energy Capital Trust IV
Pepco Energy Services or PES	Pepco Energy Services, Inc. and its subsidiaries
PHI Corporate	PHI in its corporate capacity as a holding company
PHISCO	PHI Service Company
RPG	Renewable Power Generation
SolGen	SolGen, LLC

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GLOSSARY OF TERMS AND ABBREVIATIONS

Other Terms and
Abbreviations

TMI	Three Mile Island nuclear facility
UII	Unicom Investments, Inc.
Note “—” of the Exelon 2017 Form 10-K	Reference to specific Combined Note to Consolidated Financial Statements within Exelon’s 2017 Annual Report on Form 10-K
AEC	Alternative Energy Credit that is issued for each megawatt hour of generation from a qualified alternative energy source
AESO	Alberta Electric Systems Operator
AFUDC	Allowance for Funds Used During Construction
AGE	Albany Green Energy Project
AMI	Advanced Metering Infrastructure
AMP	Advanced Metering Program
AOCI	Accumulated Other Comprehensive Income
ARC	Asset Retirement Cost
ARO	Asset Retirement Obligation
ARP	Alternative Revenue Program
CAISO	California ISO
CAP	Customer Assistance Program
CCGTs	Combined-Cycle Gas Turbines
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended
CES	Clean Energy Standard
Clean Air Act	Clean Air Act of 1963, as amended
Clean Water Act	Federal Water Pollution Control Amendments of 1972, as amended
Conectiv	Conectiv, LLC, a wholly owned subsidiary of PHI and the parent of DPL and ACE
Conectiv Energy	Conectiv Energy Holdings, Inc. and substantially all of its subsidiaries, which were sold to Calpine in July 2010
CSAPR	Cross-State Air Pollution Rule
D.C. Circuit Court	United States Court of Appeals for the District of Columbia Circuit
DC PLUG	District of Columbia Power Line Undergrounding Initiative
DCPSC	District of Columbia Public Service Commission
Default Electricity Supply	The supply of electricity by PHI’s electric utility subsidiaries at regulated rates to retail customers who do not elect to purchase electricity from a competitive supplier, and which, depending on the jurisdiction, is also known as Standard Offer Service or BGS
DOE	United States Department of Energy
DOJ	United States Department of Justice
DPSC	Delaware Public Service Commission
DRP	Direct Stock Purchase and Dividend Reinvestment Plan

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GLOSSARY OF TERMS AND ABBREVIATIONS

Other Terms and
Abbreviations

DSP	Default Service Provider
EDF	Electricite de France SA and its subsidiaries
EE&C	Energy Efficiency and Conservation/Demand Response
EIMA	Energy Infrastructure Modernization Act (Illinois Senate Bill 1652 and Illinois House Bill 3036)
EmPower	A Maryland demand-side management program for Pepco and DPL
EPA	United States Environmental Protection Agency
EPSA	Electric Power Supply Association
ERCOT	Electric Reliability Council of Texas
ERISA	Employee Retirement Income Security Act of 1974, as amended
EROA	Expected Rate of Return on Assets
ESPP	Employee Stock Purchase Plan
FASB	Financial Accounting Standards Board
FEJA	Illinois Public Act 99-0906 or Future Energy Jobs Act
FERC	Federal Energy Regulatory Commission
FRCC	Florida Reliability Coordinating Council
GAAP	Generally Accepted Accounting Principles in the United States
GCR	Gas Cost Rate
GHG	Greenhouse Gas
GSA	Generation Supply Adjustment
GWh	Gigawatt hour
IBEW	International Brotherhood of Electrical Workers
ICC	Illinois Commerce Commission
ICE	Intercontinental Exchange
Illinois EPA	Illinois Environmental Protection Agency
Illinois Settlement Legislation	Legislation enacted in 2007 affecting electric utilities in Illinois
Integrys	Integrys Energy Services, Inc.
IPA	Illinois Power Agency
IRC	Internal Revenue Code
IRS	Internal Revenue Service
ISO	Independent System Operator
ISO-NE	Independent System Operator New England Inc.
ISO-NY	Independent System Operator New York
kV	Kilovolt
kW	Kilowatt
kWh	Kilowatt-hour
LIBOR	London Interbank Offered Rate
LLRW	Low-Level Radioactive Waste

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GLOSSARY OF TERMS AND ABBREVIATIONS

Other Terms and
Abbreviations

LT Plan	Long-term renewable resources procurement plan
LTIP	Long-Term Incentive Plan
MAPP	Mid-Atlantic Power Pathway
MATS	U.S. EPA Mercury and Air Toxics Rule
MBR	Market Based Rates Incentive
MDE	Maryland Department of the Environment
MDPSC	Maryland Public Service Commission
MGP	Manufactured Gas Plant
MISO	Midcontinent Independent System Operator, Inc.
mmcf	Million Cubic Feet
Moody's	Moody's Investor Service
MOPR	Minimum Offer Price Rule
MRV	Market-Related Value
MW	Megawatt
MWh	Megawatt hour
n.m.	not meaningful
NAAQS	National Ambient Air Quality Standards
NAV	Net Asset Value
NDT	Nuclear Decommissioning Trust
NEIL	Nuclear Electric Insurance Limited
NERC	North American Electric Reliability Corporation
NGS	Natural Gas Supplier
NJBPU	New Jersey Board of Public Utilities
NJDEP	New Jersey Department of Environmental Protection
Non-Regulatory Agreements Units	Nuclear generating units or portions thereof whose decommissioning-related activities are not subject to contractual elimination under regulatory accounting
NOSA	Nuclear Operating Services Agreement
NPDES	National Pollutant Discharge Elimination System
NRC	Nuclear Regulatory Commission
NSPS	New Source Performance Standards
NUGs	Non-utility generators
NWPA	Nuclear Waste Policy Act of 1982
NYMEX	New York Mercantile Exchange
NYPSC	New York Public Service Commission
OCI	Other Comprehensive Income
OIESO	Ontario Independent Electricity System Operator
OPC	Office of People's Counsel
OPEB	Other Postretirement Employee Benefits
PA DEP	Pennsylvania Department of Environmental Protection

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GLOSSARY OF TERMS AND ABBREVIATIONS

Other Terms and
Abbreviations

PAPUC	Pennsylvania Public Utility Commission
PGC	Purchased Gas Cost Clause
PJM	PJM Interconnection, LLC
POLR	Provider of Last Resort
POR	Purchase of Receivables
PPA	Power Purchase Agreement
Price-Anderson Act	Price-Anderson Nuclear Industries Indemnity Act of 1957
Preferred Stock	Originally issued shares of non-voting, non-convertible and non-transferable Series A preferred stock, par value \$0.01 per share
PRP	Potentially Responsible Parties
PSEG	Public Service Enterprise Group Incorporated
PV	Photovoltaic
RCRA	Resource Conservation and Recovery Act of 1976, as amended
REC	Renewable Energy Credit which is issued for each megawatt hour of generation from a qualified renewable energy source
Regulatory Agreement	Nuclear generating units or portions thereof whose decommissioning-related activities are subject to contractual elimination under regulatory accounting
RES	Retail Electric Suppliers
RFP	Request for Proposal
Rider	Reconcilable Surcharge Recovery Mechanism
RGGI	Regional Greenhouse Gas Initiative
RMC	Risk Management Committee
ROE	Return on equity
RPM	PJM Reliability Pricing Model
RPS	Renewable Energy Portfolio Standards
RSSA	Reliability Support Services Agreement
RTEP	Regional Transmission Expansion Plan
RTO	Regional Transmission Organization
S&P	Standard & Poor's Ratings Services
SEC	United States Securities and Exchange Commission
Senate Bill 1	Maryland Senate Bill 1
SERC	SERC Reliability Corporation (formerly Southeast Electric Reliability Council)
SGIG	Smart Grid Investment Grant from DOE
SILO	Sale-In, Lease-Out
SNF	Spent Nuclear Fuel
SOS	Standard Offer Service
SPFPA	Security, Police and Fire Professionals of America

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GLOSSARY OF TERMS AND ABBREVIATIONS

Other Terms and
Abbreviations

SPP	Southwest Power Pool
TCJA	Tax Cuts and Jobs Act
Transition Bond Charge	Revenue ACE receives, and pays to ACE Funding, to fund the principal and interest payments on Transition Bonds and related taxes, expenses and fees
Transition Bonds	Transition Bonds issued by ACE Funding
Upstream	Natural gas exploration and production activities
VIE	Variable Interest Entity
WECC	Western Electric Coordinating Council
ZEC	Zero Emission Credit
ZES	Zero Emission Standard

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FILING FORMAT

This combined Form 10-Q is being filed separately by Exelon Corporation, Exelon Generation Company, LLC, Commonwealth Edison Company, PECO Energy Company, Baltimore Gas and Electric Company, Pepco Holdings LLC, Potomac Electric Power Company, Delmarva Power & Light Company and Atlantic City Electric Company (Registrants). Information contained herein relating to any individual Registrant is filed by such Registrant on its own behalf. No Registrant makes any representation as to information relating to any other Registrant.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This Report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from the forward-looking statements made by the Registrants include those factors discussed herein, as well as the items discussed in (1) the Registrants' combined 2017 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 23, Commitments and Contingencies; (2) this Quarterly Report on Form 10-Q in (a) Part II, Other Information, ITEM 1A. Risk Factors; (b) Part 1, Financial Information, ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, Financial Information, ITEM 1. Financial Statements: Note 17, Commitments and Contingencies; and (3) other factors discussed in filings with the SEC by the Registrants. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Report. None of the Registrants undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this Report.

WHERE TO FIND MORE INFORMATION

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

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three Months Ended March 31,	
(In millions, except per share data)	2018	2017
Operating revenues		
Competitive businesses revenues	\$5,113	\$4,550
Rate-regulated utility revenues	4,570	4,118
Revenues from alternative revenue programs	10	79
Total operating revenues	9,693	8,747
Operating expenses		
Competitive businesses purchased power and fuel	3,289	2,795
Rate-regulated utility purchased power and fuel	1,438	1,104
Operating and maintenance	2,384	2,438
Depreciation and amortization	1,091	896
Taxes other than income	446	436
Total operating expenses	8,648	7,669
Gain on sales of assets and businesses	56	4
Bargain purchase gain	—	226
Operating income	1,101	1,308
Other income and (deductions)		
Interest expense, net	(365)	(363)
Interest expense to affiliates	(6)	(10)
Other, net	(28)	257
Total other income and (deductions)	(399)	(116)
Income before income taxes	702	1,192
Income taxes	59	211
Equity in losses of unconsolidated affiliates	(7)	(10)
Net income	636	971
Net income (loss) attributable to noncontrolling interests	51	(19)
Net income attributable to common shareholders	\$585	\$990
Comprehensive income, net of income taxes		
Net income	\$636	\$971
Other comprehensive income (loss), net of income taxes		
Pension and non-pension postretirement benefit plans:		
Prior service benefit reclassified to periodic benefit cost	(17)	(13)
Actuarial loss reclassified to periodic benefit cost	61	49
Pension and non-pension postretirement benefit plan valuation adjustment	18	(59)
Unrealized gain on cash flow hedges	8	6
Unrealized gain on investments in unconsolidated affiliates	1	3
Unrealized gain on foreign currency translation	1	1
Unrealized gain on marketable securities	—	1
Other comprehensive income (loss)	72	(12)
Comprehensive income	708	959
Comprehensive income (loss) attributable to noncontrolling interests	52	(21)

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Comprehensive income attributable to common shareholders	\$ 656	\$ 980
Average shares of common stock outstanding:		
Basic	966	928
Diluted	968	930
Earnings per average common share:		
Basic	\$0.61	\$1.07
Diluted	\$0.60	\$1.06
Dividends declared per common share	\$0.35	\$0.33

See the Combined Notes to Consolidated Financial Statements

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

	Three Months Ended March 31,	
(In millions)	2018	2017
Cash flows from operating activities		
Net income	\$636	\$971
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation, amortization and accretion, including nuclear fuel and energy contract amortization	1,501	1,274
Impairment of long-lived assets and losses on regulatory assets	—	10
Gain on sales of assets and businesses	(56)	(4)
Bargain purchase gain	—	(226)
Deferred income taxes and amortization of investment tax credits	(14)	185
Net fair value changes related to derivatives	259	47
Net realized and unrealized gains (losses) on nuclear decommissioning trust fund investments	68	(175)
Other non-cash operating activities	240	118
Changes in assets and liabilities:		
Accounts receivable	133	291
Inventories	167	109
Accounts payable and accrued expenses	(451)	(728)
Option premiums paid, net	(27)	(6)
Collateral posted, net	(214)	(110)
Income taxes	86	50
Pension and non-pension postretirement benefit contributions	(331)	(307)
Other assets and liabilities	(495)	(425)
Net cash flows provided by operating activities	1,502	1,074
Cash flows from investing activities		
Capital expenditures	(1,880)	(2,009)
Proceeds from nuclear decommissioning trust fund sales	1,189	1,767
Investment in nuclear decommissioning trust funds	(1,248)	(1,833)
Acquisition of businesses, net	—	(212)
Proceeds from sales of assets and businesses	79	22
Other investing activities	3	(18)
Net cash flows used in investing activities	(1,857)	(2,283)
Cash flows from financing activities		
Changes in short-term borrowings	726	721
Proceeds from short-term borrowings with maturities greater than 90 days	1	560
Repayments on short-term borrowings with maturities greater than 90 days	(1)	(500)
Issuance of long-term debt	1,130	763
Retirement of long-term debt	(1,241)	(65)
Dividends paid on common stock	(333)	(303)
Proceeds from employee stock plans	12	12
Other financing activities	(30)	(4)
Net cash flows provided by financing activities	264	1,184
Decrease in cash, cash equivalents and restricted cash	(91)	(25)
Cash, cash equivalents and restricted cash at beginning of period	1,190	914

Cash, cash equivalents and restricted cash at end of period	\$1,099	\$889
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Table of ContentsEXELON CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In millions)	March 31, December	
	2018	31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	\$ 787	\$ 898
Restricted cash and cash equivalents	209	207
Accounts receivable, net		
Customer	4,190	4,445
Other	1,103	1,132
Mark-to-market derivative assets	978	976
Unamortized energy contract assets	55	60
Inventories, net		
Fossil fuel and emission allowances	180	340
Materials and supplies	1,291	1,311
Regulatory assets	1,245	1,267
Other	1,495	1,260
Total current assets	11,533	11,896
Property, plant and equipment, net	74,711	74,202
Deferred debits and other assets		
Regulatory assets	8,063	8,021
Nuclear decommissioning trust funds	13,149	13,272
Investments	640	640
Goodwill	6,677	6,677
Mark-to-market derivative assets	527	337
Unamortized energy contract assets	385	395
Other	1,333	1,330
Total deferred debits and other assets	30,774	30,672
Total assets ^(a)	\$ 117,018	\$ 116,770

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EXELON CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	March 31, 2018	December 31, 2017
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings	\$1,654	\$929
Long-term debt due within one year	1,203	2,088
Accounts payable	3,207	3,532
Accrued expenses	1,569	1,837
Payables to affiliates	5	5
Regulatory liabilities	522	523
Mark-to-market derivative liabilities	415	232
Unamortized energy contract liabilities	202	231
Renewable energy credit obligation	333	352
PHI merger related obligation	87	87
Other	956	982
Total current liabilities	10,153	10,798
Long-term debt	32,905	32,176
Long-term debt to financing trusts	389	389
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	11,344	11,235
Asset retirement obligations	10,126	10,029
Pension obligations	3,433	3,736
Non-pension postretirement benefit obligations	2,114	2,093
Spent nuclear fuel obligation	1,151	1,147
Regulatory liabilities	9,724	9,865
Mark-to-market derivative liabilities	468	409
Unamortized energy contract liabilities	579	609
Other	2,067	2,097
Total deferred credits and other liabilities	41,006	41,220
Total liabilities ^(a)	84,453	84,583
Commitments and contingencies		
Shareholders' equity		
Common stock (No par value, 2,000 shares authorized, 965 shares and 963 shares outstanding at March 31, 2018 and December 31, 2017, respectively)	18,973	18,964
Treasury stock, at cost (2 shares at March 31, 2018 and December 31, 2017)	(123)	(123)
Retained earnings	14,346	14,081
Accumulated other comprehensive loss, net	(2,965)	(3,026)
Total shareholders' equity	30,231	29,896
Noncontrolling interests	2,334	2,291
Total equity	32,565	32,187
Total liabilities and shareholders' equity	\$117,018	\$116,770

(a) Exelon's consolidated assets include \$9,727 million and \$9,597 million at March 31, 2018 and December 31, 2017, respectively, of certain VIEs that can only be used to settle the liabilities of the VIE. Exelon's consolidated liabilities include \$3,556 million and \$3,618 million at March 31, 2018 and December 31, 2017, respectively, of

certain VIEs for which the VIE creditors do not have recourse to Exelon. See Note 3 — Variable Interest Entities.

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

(In millions, shares in thousands)	Issued Shares	Common Stock	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss, net	Noncontrolling Interests	Total Shareholders' Equity
Balance, December 31, 2017	965,168	\$18,964	\$ (123)	\$14,081	\$ (3,026)	\$ 2,291	\$ 32,187
Net income	—	—	—	585	—	51	636
Long-term incentive plan activity	1,685	(3)	—	—	—	—	(3)
Employee stock purchase plan issuances	361	12	—	—	—	—	12
Changes in equity of noncontrolling interests	—	—	—	—	—	(9)	(9)
Common stock dividends	—	—	—	(334)	—	—	(334)
Other comprehensive income, net of income taxes	—	—	—	—	71	1	72
Impact of adoption of Recognition and Measurement of Financial Assets and Liabilities standard	—	—	—	14	(10)	—	4
Balance, March 31, 2018	967,214	\$18,973	\$ (123)	\$14,346	\$ (2,965)	\$ 2,334	\$ 32,565

See the Combined Notes to Consolidated Financial Statements

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EXELON GENERATION COMPANY, LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

(In millions)	Three Months Ended March 31,	
	2018	2017
Operating revenues		
Operating revenues	\$5,114	\$4,548
Operating revenues from affiliates	398	330
Total operating revenues	5,512	4,878
Operating expenses		
Purchased power and fuel	3,289	2,796
Purchased power and fuel from affiliates	4	2
Operating and maintenance	1,178	1,313
Operating and maintenance from affiliates	161	179
Depreciation and amortization	448	302
Taxes other than income	138	143
Total operating expenses	5,218	4,735
Gain on sales of assets and businesses	53	4
Bargain purchase gain	—	226
Operating income	347	373
Other income and (deductions)		
Interest expense, net	(91) (90)
Interest expense to affiliates	(10) (10)
Other, net	(44) 259
Total other income and (deductions)	(145) 159
Income before income taxes	202	532
Income taxes	9	123
Equity in losses of unconsolidated affiliates	(7) (10)
Net income	186	399
Net income (loss) attributable to noncontrolling interests	50	(19)
Net income attributable to membership interest	\$136	\$418
Comprehensive income, net of income taxes		
Net income	\$186	\$399
Other comprehensive income (loss), net of income taxes		
Unrealized gain on cash flow hedges	7	6
Unrealized gain on investments in unconsolidated affiliates	1	4
Unrealized (loss) gain on foreign currency translation	(1) 1
Other comprehensive income	7	11
Comprehensive income	193	410
Comprehensive income (loss) attributable to noncontrolling interests	51	(21)
Comprehensive income attributable to membership interest	\$142	\$431

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EXELON GENERATION COMPANY, LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31, 2018 2017	
(In millions)		
Cash flows from operating activities		
Net income	\$186	\$399
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation, amortization and accretion, including nuclear fuel and energy contract amortization	858	678
Impairment of long-lived assets	—	10
Gain on sales of assets and businesses	(53)	(4)
Bargain purchase gain	—	(226)
Deferred income taxes and amortization of investment tax credits	(68)	108
Net fair value changes related to derivatives	264	51
Net realized and unrealized gains on nuclear decommissioning trust fund investments	68	(175)
Other non-cash operating activities	45	(10)
Changes in assets and liabilities:		
Accounts receivable	194	173
Receivables from and payables to affiliates, net	(15)	23
Inventories	122	81
Accounts payable and accrued expenses	(317)	(236)
Option premiums paid, net	(27)	(6)
Collateral posted, net	(214)	(102)
Income taxes	79	(81)
Pension and non-pension postretirement benefit contributions	(125)	(110)
Other assets and liabilities	(142)	(153)
Net cash flows provided by operating activities	855	420
Cash flows from investing activities		
Capital expenditures	(628)	(625)
Proceeds from nuclear decommissioning trust fund sales	1,189	1,767
Investment in nuclear decommissioning trust funds	(1,248)	(1,833)
Acquisition of businesses, net	—	(212)
Proceeds from sales of assets and businesses	79	22
Other investing activities	(7)	(29)
Net cash flows used in investing activities	(615)	(910)
Cash flows from financing activities		
Changes in short-term borrowings	165	(42)
Proceeds from short-term borrowings with maturities greater than 90 days	1	60
Repayments of short-term borrowings with maturities greater than 90 days	(1)	—
Issuance of long-term debt	4	762
Retirement of long-term debt	(29)	(30)
Changes in Exelon intercompany money pool	—	(1)
Distributions to member	(188)	(164)
Other financing activities	(9)	(3)

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Net cash flows (used in) provided by financing activities	(57) 582
Increase in cash, cash equivalents and restricted cash	183	92
Cash, cash equivalents and restricted cash at beginning of period	554	448
Cash, cash equivalents and restricted cash at end of period	\$737	\$540

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EXELON GENERATION COMPANY, LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	March 31, 2018	December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	\$610	\$ 416
Restricted cash and cash equivalents	127	138
Accounts receivable, net		
Customer	2,478	2,697
Other	294	321
Mark-to-market derivative assets	978	976
Receivables from affiliates	153	140
Unamortized energy contract assets	55	60
Inventories, net		
Fossil fuel and emission allowances	151	264
Materials and supplies	916	937
Other	1,122	933
Total current assets	6,884	6,882
Property, plant and equipment, net	24,714	24,906
Deferred debits and other assets		
Nuclear decommissioning trust funds	13,149	13,272
Investments	431	433
Goodwill	47	47
Mark-to-market derivative assets	527	334
Prepaid pension asset	1,571	1,502
Unamortized energy contract assets	385	395
Deferred income taxes	10	16
Other	657	670
Total deferred debits and other assets	16,777	16,669
Total assets ^(a)	\$48,375	\$ 48,457

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EXELON GENERATION COMPANY, LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	March 31, 2018	December 31, 2017
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings	\$ 166	\$ 2
Long-term debt due within one year	373	346
Accounts payable	1,447	1,773
Accrued expenses	951	1,022
Payables to affiliates	114	123
Borrowings from Exelon intercompany money pool	54	54
Mark-to-market derivative liabilities	391	211
Unamortized energy contract liabilities	39	43
Renewable energy credit obligation	333	352
Other	288	265
Total current liabilities	4,156	4,191
Long-term debt	7,685	7,734
Long-term debt to affiliate	907	910
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	3,749	3,811
Asset retirement obligations	9,941	9,844
Non-pension postretirement benefit obligations	911	916
Spent nuclear fuel obligation	1,151	1,147
Payables to affiliates	2,970	3,065
Mark-to-market derivative liabilities	221	174
Unamortized energy contract liabilities	40	48
Other	686	658
Total deferred credits and other liabilities	19,669	19,663
Total liabilities ^(a)	32,417	32,498
Commitments and contingencies		
Equity		
Member's equity		
Membership interest	9,357	9,357
Undistributed earnings	4,303	4,349
Accumulated other comprehensive loss, net	(34)	(37)
Total member's equity	13,626	13,669
Noncontrolling interests	2,332	2,290
Total equity	15,958	15,959
Total liabilities and equity	\$48,375	\$48,457

Generation's consolidated assets include \$9,688 million and \$9,556 million at March 31, 2018 and December 31, 2017, respectively, of certain VIEs that can only be used to settle the liabilities of the VIE. Generation's

(a) consolidated liabilities include \$3,461 million and \$3,516 million at March 31, 2018 and December 31, 2017, respectively, of certain VIEs for which the VIE creditors do not have recourse to Generation. See Note 3 — Variable Interest Entities.

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EXELON GENERATION COMPANY, LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Unaudited)

(In millions)	Member's Equity				
	Member's Interest	Undistributed Earnings	Accumulated Other Comprehensive Loss, net	Noncontrolling Interests	Total Equity
Balance, December 31, 2017	\$9,357	\$ 4,349	\$ (37)	\$ 2,290	\$15,959
Net income	—	136	—	50	186
Changes in equity of noncontrolling interests	—	—	—	(9)	(9)
Distributions to member	—	(188)	—	—	(188)
Other comprehensive income, net of income taxes	—	—	6	1	7
Impact of adoption of Recognition and Measurement of Financial Assets and Liabilities standard	—	6	(3)	—	3
Balance, March 31, 2018	\$9,357	\$ 4,303	\$ (34)	\$ 2,332	\$15,958

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

(In millions)	Three Months Ended March 31,	
	2018	2017
Operating revenues		
Electric operating revenues	\$1,493	\$1,279
Revenues from alternative revenue programs	5	14
Operating revenues from affiliates	14	5
Total operating revenues	1,512	1,298
Operating expenses		
Purchased power	411	329
Purchased power from affiliate	194	5
Operating and maintenance	253	307
Operating and maintenance from affiliate	60	63
Depreciation and amortization	228	208
Taxes other than income	77	72
Total operating expenses	1,223	984
Gain on sales of assets	3	—
Operating income	292	314
Other income and (deductions)		
Interest expense, net	(86) (82)
Interest expense to affiliates	(3) (3)
Other, net	8	4
Total other income and (deductions)	(81) (81)
Income before income taxes	211	233
Income taxes	46	92
Net income	\$165	\$141
Comprehensive income	\$165	\$141

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

	Three Months Ended March 31,	
(In millions)	2018	2017
Cash flows from operating activities		
Net income	\$ 165	\$ 141
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	228	208
Deferred income taxes and amortization of investment tax credits	50	137
Other non-cash operating activities	46	31
Changes in assets and liabilities:		
Accounts receivable	39	92
Receivables from and payables to affiliates, net	(19)	(16)
Inventories	5	4
Accounts payable and accrued expenses	(158)	(236)
Collateral posted, net	(3)	(7)
Income taxes	(5)	(34)
Pension and non-pension postretirement benefit contributions	(38)	(35)
Other assets and liabilities	(176)	(49)
Net cash flows provided by operating activities	134	236
Cash flows from investing activities		
Capital expenditures	(531)	(626)
Other investing activities	8	7
Net cash flows used in investing activities	(523)	(619)
Cash flows from financing activities		
Changes in short-term borrowings	317	365
Issuance of long-term debt	800	—
Retirement of long-term debt	(700)	—
Contributions from parent	113	100
Dividends paid on common stock	(114)	(105)
Other financing activities	(9)	(1)
Net cash flows provided by financing activities	407	359
Increase (Decrease) in cash, cash equivalents and restricted cash	18	(24)
Cash, cash equivalents and restricted cash at beginning of period	144	58
Cash, cash equivalents and restricted cash at end of period	\$ 162	\$ 34

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

(In millions)	March 31, 2018	December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	\$ 70	\$ 76
Restricted cash	9	5
Accounts receivable, net		
Customer	485	559
Other	290	266
Receivables from affiliates	28	13
Inventories, net	146	152
Regulatory assets	226	225
Other	82	68
Total current assets	1,336	1,364
Property, plant and equipment, net	21,010	20,723
Deferred debits and other assets		
Regulatory assets	1,125	1,054
Investments	6	6
Goodwill	2,625	2,625
Receivables from affiliates	2,464	2,528
Prepaid pension asset	1,177	1,188
Other	259	238
Total deferred debits and other assets	7,656	7,639
Total assets	\$30,002	\$ 29,726

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

(In millions)	March 31, 2018	December 31, 2017
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings	\$317	\$—
Long-term debt due within one year	440	840
Accounts payable	491	568
Accrued expenses	198	327
Payables to affiliates	70	74
Customer deposits	111	112
Regulatory liabilities	212	249
Mark-to-market derivative liability	24	21
Other	82	103
Total current liabilities	1,945	2,294
Long-term debt	7,254	6,761
Long-term debt to financing trust	205	205
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	3,539	3,469
Asset retirement obligations	111	111
Non-pension postretirement benefits obligations	215	219
Regulatory liabilities	6,212	6,328
Mark-to-market derivative liability	243	235
Other	572	562
Total deferred credits and other liabilities	10,892	10,924
Total liabilities	20,296	20,184
Commitments and contingencies		
Shareholders' equity		
Common stock	1,588	1,588
Other paid-in capital	6,935	6,822
Retained deficit unappropriated	(1,639)	(1,639)
Retained earnings appropriated	2,822	2,771
Total shareholders' equity	9,706	9,542
Total liabilities and shareholders' equity	\$30,002	\$29,726

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

(In millions)	Common Stock	Other Paid-In Capital	Retained Deficit Unappropriated	Retained Earnings Appropriated	Total Shareholders' Equity
Balance, December 31, 2017	\$ 1,588	\$6,822	\$ (1,639)	\$ 2,771	\$ 9,542
Net income	—	—	165	—	165
Appropriation of retained earnings for future dividends	—	—	(165)	165	—
Common stock dividends	—	—	—	(114)	(114)
Contributions from parent	—	113	—	—	113
Balance, March 31, 2018	\$ 1,588	\$6,935	\$ (1,639)	\$ 2,822	\$ 9,706

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PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,	
(In millions)	2018	2017
Operating revenues		
Electric operating revenues	\$633	\$589
Natural gas operating revenues	232	206
Revenues from alternative revenue programs	(1)	—
Operating revenues from affiliates	2	1
Total operating revenues	866	796
Operating expenses		
Purchased power	199	156
Purchased fuel	98	86
Purchased power from affiliate	36	45
Operating and maintenance	233	174
Operating and maintenance from affiliates	42	34
Depreciation and amortization	75	71
Taxes other than income	41	38
Total operating expenses	724	604
Operating income	142	192
Other income and (deductions)		
Interest expense, net	(30)	(28)
Interest expense to affiliates	(3)	(3)
Other, net	2	2
Total other income and (deductions)	(31)	(29)
Income before income taxes	111	163
Income taxes	(2)	36
Net income	\$113	\$127
Comprehensive income	\$113	\$127

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PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31, 2018 2017	
(In millions)		
Cash flows from operating activities		
Net income	\$113	\$127
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	75	71
Deferred income taxes and amortization of investment tax credits	(4)	24
Other non-cash operating activities	21	23
Changes in assets and liabilities:		
Accounts receivable	(51)	(25)
Receivables from and payables to affiliates, net	7	(10)
Inventories	12	19
Accounts payable and accrued expenses	6	(40)
Income taxes	5	25
Pension and non-pension postretirement benefit contributions	(24)	(23)
Other assets and liabilities	(141)	(85)
Net cash flows provided by operating activities	19	106
Cash flows from investing activities		
Capital expenditures	(217)	(201)
Changes in Exelon intercompany money pool	—	131
Other investing activities	2	1
Net cash flows used in investing activities	(215)	(69)
Cash flows from financing activities		
Changes in short-term borrowings	220	—
Issuance of long-term debt	325	—
Retirement of long-term debt	(500)	—
Changes in Exelon intercompany money pool	194	—
Dividends paid on common stock	(287)	(72)
Other financing activities	(5)	—
Net cash flows used in financing activities	(53)	(72)
Decrease in cash, cash equivalents and restricted cash	(249)	(35)
Cash, cash equivalents and restricted cash at beginning of period	275	67
Cash, cash equivalents and restricted cash at end of period	\$26	\$32

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PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	March 31, 2018	December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	\$21	\$ 271
Restricted cash and cash equivalents	5	4
Accounts receivable, net		
Customer	349	327
Other	117	105
Inventories, net		
Fossil fuel	16	31
Materials and supplies	33	30
Prepaid utility taxes	97	8
Regulatory assets	78	29
Other	20	17
Total current assets	736	822
Property, plant and equipment, net	8,176	8,053
Deferred debits and other assets		
Regulatory assets	408	381
Investments	25	25
Receivable from affiliates	505	537
Prepaid pension asset	359	340
Other	9	12
Total deferred debits and other assets	1,306	1,295
Total assets	\$ 10,218	\$ 10,170

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PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	March 31, 2018	December 31, 2017
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Short-term borrowings	\$ 220	\$ —
Long-term debt due within one year	—	500
Accounts payable	379	370
Accrued expenses	91	114
Payables to affiliates	59	53
Borrowings from Exelon intercompany money pool	194	—
Customer deposits	66	66
Regulatory liabilities	117	141
Other	29	23
Total current liabilities	1,155	1,267
Long-term debt	2,723	2,403
Long-term debt to financing trusts	184	184
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	1,824	1,789
Asset retirement obligations	27	27
Non-pension postretirement benefits obligations	288	288
Regulatory liabilities	529	549
Other	85	86
Total deferred credits and other liabilities	2,753	2,739
Total liabilities	6,815	6,593
Commitments and contingencies		
Shareholder's equity		
Common stock	2,489	2,489
Retained earnings	914	1,087
Accumulated other comprehensive income, net	—	1
Total shareholder's equity	3,403	3,577
Total liabilities and shareholder's equity	\$ 10,218	\$ 10,170

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PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
(Unaudited)

(In millions)	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income, net	Total Shareholder's Equity
Balance, December 31, 2017	\$ 2,489	\$ 1,087	\$ 1	\$ 3,577
Net income	—	113	—	113
Common stock dividends	—	(287)	—	(287)
Impact of adoption of Recognition and Measurement of Financial Assets and Liabilities standard	—	1	(1)	—
Balance, March 31, 2018	\$ 2,489	\$ 914	\$ —	\$ 3,403

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BALTIMORE GAS AND ELECTRIC COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,	
(In millions)	2018	2017
Operating revenues		
Electric operating revenues	\$654	\$640
Natural gas operating revenues	330	271
Revenues from alternative revenue programs	(13)	35
Operating revenues from affiliates	6	5
Total operating revenues	977	951
Operating expenses		
Purchased power	192	133
Purchased fuel	123	83
Purchased power from affiliate	65	134
Operating and maintenance	184	148
Operating and maintenance from affiliates	37	35
Depreciation and amortization	134	128
Taxes other than income	65	62
Total operating expenses	800	723
Operating income	177	228
Other income and (deductions)		
Interest expense, net	(25)	(23)
Interest expense to affiliates	—	(4)
Other, net	4	4
Total other income and (deductions)	(21)	(23)
Income before income taxes	156	205
Income taxes	28	80
Net income	\$128	\$125
Comprehensive income	\$128	\$125

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BALTIMORE GAS AND ELECTRIC COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
(In millions)	2018	2017
Cash flows from operating activities		
Net income	\$128	\$125
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	134	128
Deferred income taxes and amortization of investment tax credits	22	72
Other non-cash operating activities	20	24
Changes in assets and liabilities:		
Accounts receivable	(32)	(7)
Receivables from and payables to affiliates, net	—	(7)
Inventories	20	17
Accounts payable and accrued expenses	(9)	(81)
Income taxes	14	33
Pension and non-pension postretirement benefit contributions	(45)	(44)
Other assets and liabilities	61	(52)
Net cash flows provided by operating activities	313	208
Cash flows from investing activities		
Capital expenditures	(224)	(206)
Other investing activities	1	4
Net cash flows used in investing activities	(223)	(202)
Cash flows from financing activities		
Changes in short-term borrowings	(32)	50
Dividends paid on common stock	(52)	(49)
Net cash flows (used in) provided by financing activities	(84)	1
Increase in cash, cash equivalents and restricted cash	6	7
Cash, cash equivalents and restricted cash at beginning of period	18	50
Cash, cash equivalents and restricted cash at end of period	\$24	\$57

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BALTIMORE GAS AND ELECTRIC COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	March 31, 2018	December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	\$22	\$ 17
Restricted cash and cash equivalents	2	1
Accounts receivable, net		
Customer	394	375
Other	91	94
Receivables from affiliates	—	1
Inventories, net		
Gas held in storage	12	37
Materials and supplies	45	40
Prepaid utility taxes	35	69
Regulatory assets	149	174
Other	5	3
Total current assets	755	811
Property, plant and equipment, net	7,725	7,602
Deferred debits and other assets		
Regulatory assets	391	397
Investments	5	5
Prepaid pension asset	313	285
Other	6	4
Total deferred debits and other assets	715	691
Total assets	\$9,195	\$ 9,104

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BALTIMORE GAS AND ELECTRIC COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	March 31, 2018	December 31, 2017
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings	\$45	\$ 77
Accounts payable	253	265
Accrued expenses	162	164
Payables to affiliates	51	52
Customer deposits	118	116
Regulatory liabilities	102	62
Other	26	24
Total current liabilities	757	760
Long-term debt	2,578	2,577
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	1,286	1,244
Asset retirement obligations	22	23
Non-pension postretirement benefits obligations	199	202
Regulatory liabilities	1,083	1,101
Other	53	56
Total deferred credits and other liabilities	2,643	2,626
Total liabilities	5,978	5,963
Commitments and contingencies		
Shareholders' equity		
Common stock	1,605	1,605
Retained earnings	1,612	1,536
Total shareholders' equity	3,217	3,141
Total liabilities and shareholders' equity	\$9,195	\$ 9,104

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BALTIMORE GAS AND ELECTRIC COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

(In millions)	Common Stock	Retained Earnings	Total Shareholders' Equity
Balance, December 31, 2017	\$ 1,605	\$ 1,536	\$ 3,141
Net income	—	128	128
Common stock dividends	—	(52)	(52)
Balance, March 31, 2018	\$ 1,605	\$ 1,612	\$ 3,217

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PEPCO HOLDINGS LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

(In millions)	Three Months Ended March 31,	
	2018	2017
Operating revenues		
Electric operating revenues	\$1,151	\$1,067
Natural gas operating revenues	78	66
Revenues from alternative revenue programs	18	30
Operating revenues from affiliates	4	12
Total operating revenues	1,251	1,175
Operating expenses		
Purchased power	374	288
Purchased fuel	41	29
Purchased power and fuel from affiliates	105	144
Operating and maintenance	271	223
Operating and maintenance from affiliates	38	33
Depreciation, amortization and accretion	183	167
Taxes other than income	113	111
Total operating expenses	1,125	995
Operating income	126	180
Other income and (deductions)		
Interest expense, net	(63)	(62)
Other, net	11	13
Total other income and (deductions)	(52)	(49)
Income before income taxes	74	131
Income taxes	9	(9)
Net income	\$65	\$140
Comprehensive income	\$65	\$140

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PEPCO HOLDINGS LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
(In millions)	2018	2017
Cash flows from operating activities		
Net income	\$65	\$140
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	183	167
Deferred income taxes and amortization of investment tax credits	17	13
Other non-cash operating activities	53	(8)
Changes in assets and liabilities:		
Accounts receivable	(9)	68
Receivables from and payables to affiliates, net	10	(8)
Inventories	4	(11)
Accounts payable and accrued expenses	44	(81)
Income taxes	(9)	55
Pension and non-pension postretirement benefit contributions	(55)	(66)
Other assets and liabilities	(24)	(75)
Net cash flows provided by operating activities	279	194
Cash flows from investing activities		
Capital expenditures	(258)	(320)
Other investing activities	—	(3)
Net cash flows used in investing activities	(258)	(323)
Cash flows from financing activities		
Changes in short-term borrowings	57	145
Repayments of short-term borrowings with maturities greater than 90 days	—	(500)
Issuance of long-term debt	—	1
Retirement of long-term debt	(12)	(24)
Distributions to member	(71)	(69)
Contributions from member	—	500
Change in Exelon intercompany money pool	13	13
Net cash flows (used in) provided by financing activities	(13)	66
Increase (Decrease) in cash, cash equivalents and restricted cash	8	(63)
Cash, cash equivalents and restricted cash at beginning of period	95	236
Cash, cash equivalents and restricted cash at end of period	\$103	\$173

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PEPCO HOLDINGS LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)