



The Exelon & Pepco Holdings Combination – Maryland

Prince George's County Council Briefing
March 31, 2015

Pepco will join a leading utility group with first quartile reliability

Operating Statistics



Commonwealth Edison

Customers: 3,800,000
 Service Territory: 11,400 sq. miles
 Peak Load: 23,753 MW
 2013 Rate Base: \$8.7 bn

Potomac Electric Power

Customers: 801,000
 Service Territory: 640 sq. miles
 Peak Load: 6,674 MW
 2013 Rate Base: \$3.4 bn

PECO Energy

Customers: 2,100,000
 Service Territory: 2,100 sq. miles
 Peak Load: 8,983 MW
 2013 Rate Base: \$5.4 bn

Atlantic City Electric Co.

Customers: 545,000
 Service Territory: 2,700 sq. miles
 Peak Load: 2,797 MW
 2013 Rate Base: \$1.6 bn

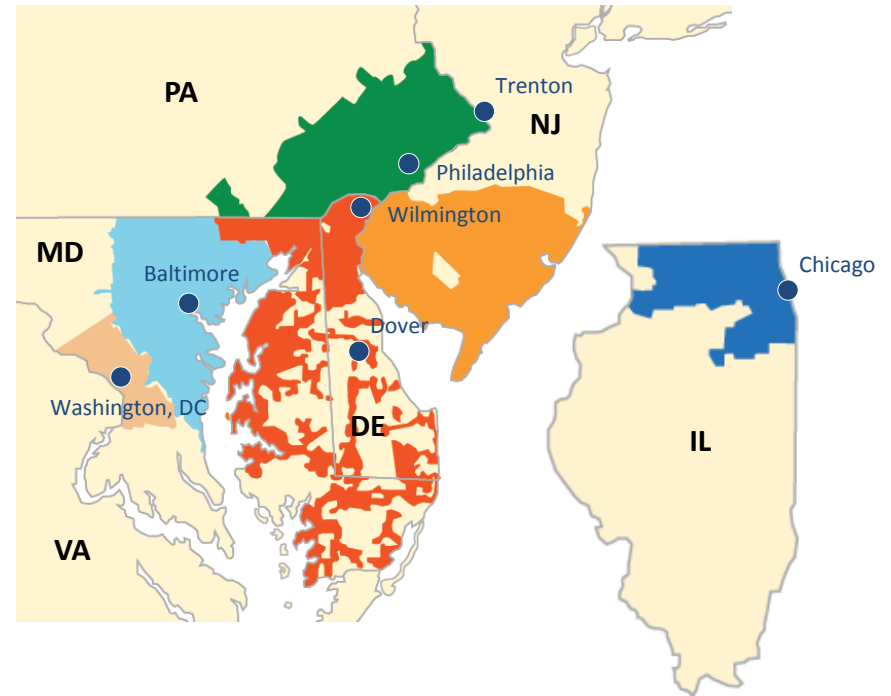
Baltimore Gas & Electric

Customers: 1,900,000
 Service Territory: 2,300 sq. miles
 Peak Load: 7,236 MW
 2013 Rate Base: \$4.6 bn

Delmarva Power & Light

Customers: 632,000
 Service Territory: 5,000 sq. miles
 Peak Load: 4,121 MW
 2013 Rate Base: \$2.0 bn

Combined Service Territory



- Atlantic City Electric Co. Service Territory
- Baltimore Gas and Electric Co. Service Territory
- PECO Service Territory
- Delmarva Power & Light Service Territory
- ComEd Energy Service Territory
- Potomac Electric Power Territory

Powering performance

A winning combination

Transaction brings together Exelon's three top-performing utilities – BGE, PECO and ComEd – and Pepco Holdings' electric and gas utilities – Pepco, Delmarva Power and ACE.

Exelon and PHI are committed to improving reliability levels for Pepco. The companies commit that:

- By 2018, Pepco will achieve first-quartile performance.
- By 2020, Pepco's average outage frequency in its Maryland service territory will not exceed 0.90, representing a 40 percent improvement compared with 2013.
- By 2020, Pepco's average outage duration will not exceed 91 minutes, representing a nearly 38 percent improvement compared with 2013.

Exelon has offered to measure reliability improvements on an annual basis beginning in 2016, to make these improvements within existing budgets, and to be subject to escalating financial penalties of up to a total of \$7.75 million from 2018-2020 if Pepco does not meet its goals.

This reliability commitment is backed by merger testimony showing that Exelon utilities perform at a high level. BGE, ComEd and PECO are delivering first-quartile performance, with BGE's reliability metrics having risen to their best-ever levels since joining Exelon in 2012.

Joining a family of utilities with crews and resources located in the mid-Atlantic area will benefit Pepco and its customers during major storms, while helping to reduce costs. Exelon and PHI share cultures of continuous operational and reliability improvement, customer focus, infrastructure investment, safety, environmental stewardship and community support that will facilitate the sharing of best practices.

Delivering benefits to Pepco customers, employees and communities

The transaction will deliver direct benefits to:

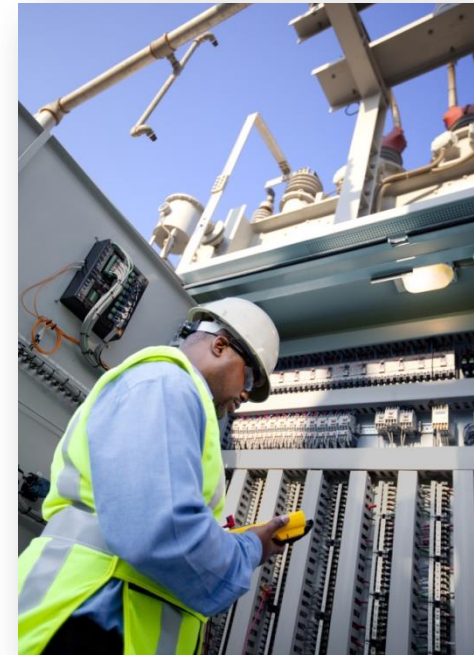
Customers

Exelon has committed to provide an increased amount of \$94.4 million to Maryland for a Customer Investment Fund to be used for direct customer benefits.

Under the proposed settlement agreement with Prince George's and Montgomery counties in Maryland, the fund would include:

- \$36.8 million for customer bill credits (approximately \$50 per customer)
- \$57.6 million for energy efficiency programs, with 20 percent targeting programs for low- and moderate-income customers

Exelon will maintain and promote PHI utilities' low-income customer assistance, energy-efficiency and demand-response programs.



Delivering benefits to Pepco customers, employees and communities

The transaction will deliver direct benefits to:

Customers

On top of the \$94.4 million Customer Investment Fund, an additional \$127 million in savings will flow back to Maryland customers through rates.

Exelon will reduce the burden of energy debt for low-income families by forgiving accounts more than three years overdue at the time of the merger closing.

Exelon will facilitate the deployment of distributed generation through its settlement with The Alliance for Solar Choice to make it easier for customers and solar developers to connect on-site renewable generation and energy-storage projects to the grid.



Delivering benefits to Pepco customers, employees and communities

The transaction will deliver direct benefits to:

Communities

Exelon shares Pepco's commitment to the local communities it serves.

In Maryland, Exelon has committed to provide an annual average of charitable contributions and local community support that exceeds Pepco's 2013 level for at least 10 years.

PHI utilities will retain their local operational headquarters.

Exelon and Pepco will develop recreational trails along certain Pepco transmission corridors.



Delivering benefits to Pepco customers, employees and communities

The transaction will deliver direct benefits to:

Employees

All existing collective-bargaining agreements will be honored, and PHI has successfully negotiated contract extensions with all four of the unions representing their utility employees.

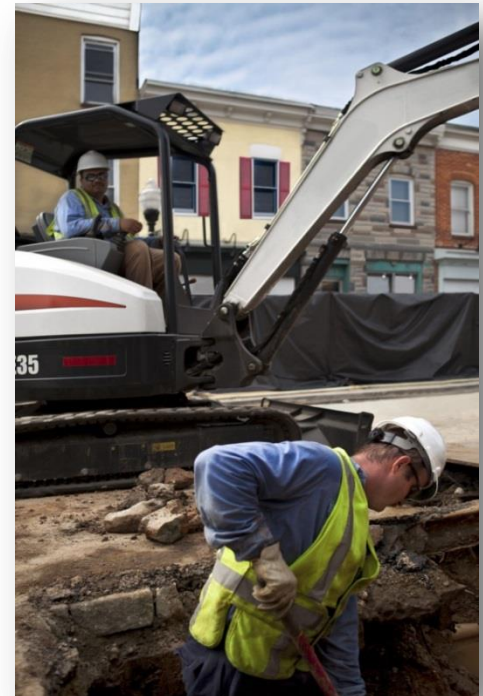
- Unions have expressed strong support for the merger.

No net involuntary merger-related job losses of PHI utility employees for two years following transaction closing.

Good faith effort to hire at least 110 union workers in Maryland in the same period.

Current and former employees at Pepco will receive benefits at least as favorable in the aggregate as those provided before the merger for at least two years following the transaction.

Exelon shares PHI's commitment to workforce and supplier diversity and will maintain its strong track record in these areas.



Merger will add jobs, inject millions of dollars into local Maryland economy

The transaction will deliver direct benefits to:

The local Maryland economy:

Establishment of a \$50 million “Green Sustainability Fund” to stimulate investment in solar, energy storage, microgrids and other distributed generation across Pepco Holdings service territories.

Development of 15 megawatts of solar generation, with 5 megawatts each in Montgomery, Prince George’s and the Delmarva Power territory in Maryland. Prince George’s has also entered into an energy purchase agreement with Exelon that will result in the development of another 5 megawatts of solar projects. The energy will be provided free for a set period.

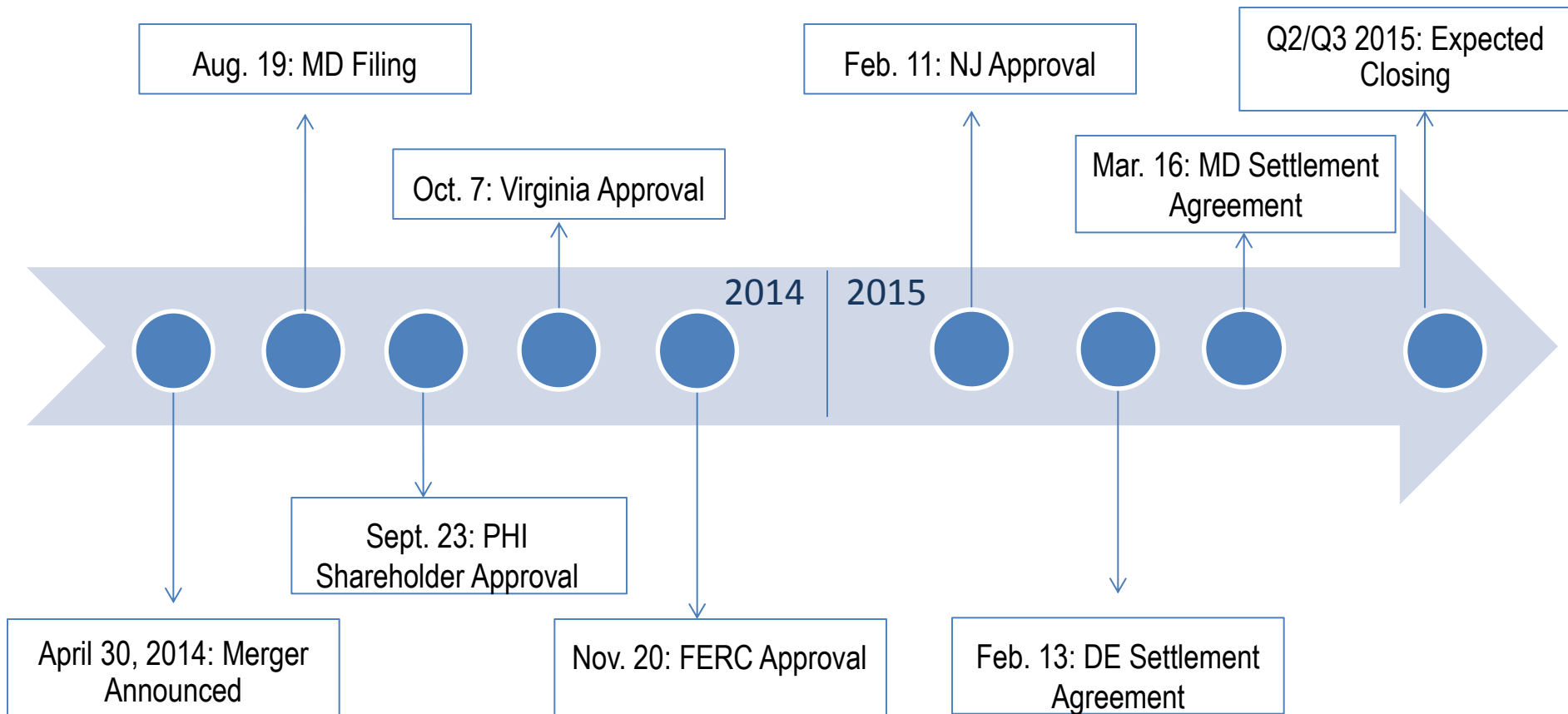
A commitment to file a proposal with the PSC for public-purpose microgrid projects in Pepco service territory, including one each in Prince George’s and Montgomery counties.

A commitment to work with PSC staff and others to accelerate and enhance Pepco’s energy efficiency initiatives.

\$1.24 million to support workforce development programs in Prince George’s County.

Transaction timeline

Progress to date:





Questions?

Cautionary Statements Regarding Forward-Looking Information

Except for the historical information contained herein, certain of the matters discussed in this communication constitute “forward-looking statements”. Words such as “may,” “might,” “will,” “should,” “could,” “anticipate,” “estimate,” “expect,” “predict,” “project,” “future”, “potential,” “intend,” “seek to,” “plan,” “assume,” “believe,” “target,” “forecast,” “goal,” “objective,” “continue” or the negative of such terms or other variations thereof and words and terms of similar substance used in connection with any discussion of future plans, actions, or events identify forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding benefits of the proposed merger between Exelon Corporation (Exelon) and Pepco Holdings, Inc. (PHI), integration plans and expected synergies, the expected timing of completion of the transaction, the anticipated ability to obtain regulatory and other approvals required to complete the merger, anticipated future financial and operating performance and results, including estimates for growth. These statements are based on the current expectations of management of Exelon and Pepco PHI, as applicable. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements included in this communication, as well as other unpredictable factors which could have material adverse effects on future results, performance or achievements of PHI, its subsidiaries or the combined company. Discussions of some of these other important factors and assumptions are contained in Exelon’s and PHI’s respective filings with the Securities and Exchange Commission (SEC), and available at the SEC’s website at www.sec.gov, including: (1) the definitive proxy statement that PHI filed with the SEC on August 12, 2014 and mailed to its stockholders in connection with the proposed merger and the supplemental disclosures related thereto made in PHI’s Current Report on Form 8-K filed with the SEC on September 12, 2014; (2) Exelon’s and PHI’s respective 2013 Annual Reports on Form 10-K; and (3) Exelon’s and PHI’s respective Third Quarter 2014 Quarterly Report on Form 10-Q. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this communication may not occur. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this communication. Neither Exelon nor PHI undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this communication. New factors emerge from time to time, and it is not possible for Exelon or PHI to predict all such factors. Furthermore, it may not be possible to assess the impact of any such factor on Exelon’s or PHI’s respective businesses or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Any specific factors that may be provided should not be construed as exhaustive.