

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 June 30, 2024
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
001-16169	EXELON CORPORATION (a Pennsylvania corporation) 10 South Dearborn Street P.O. Box 805379 Chicago, Illinois 60680-5379 (800) 483-3220	23-2990190
001-01839	COMMONWEALTH EDISON COMPANY (an Illinois corporation) 10 South Dearborn Street Chicago, Illinois 60603-2300 (312) 394-4321	36-0938600
000-16844	PECO ENERGY COMPANY (a Pennsylvania corporation) 2301 Market Street P.O. Box 8699 Philadelphia, Pennsylvania 19101-8699 (215) 841-4000	23-0970240
001-01910	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 (a Delaware limited liability company) 701 Ninth Street, N.W. Washington, District of Columbia 20068-0001 (202) 872-2000	52-2297449
001-01072	POTOMAC ELECTRIC POWER COMPANY (a District of Columbia and Virginia corporation) 701 Ninth Street, N.W. Washington, District of Columbia 20068-0001 (202) 872-2000	53-0127880
001-01405	DELMARVA POWER & LIGHT COMPANY (a Delaware and Virginia corporation) 500 North Wakefield Drive Newark, Delaware 19702-5440 (202) 872-2000	51-0084283
001-03559	ATLANTIC CITY ELECTRIC COMPANY (a New Jersey corporation) 500 North Wakefield Drive Newark, Delaware 19702-5440 (202) 872-2000	21-0398280

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
EXELON CORPORATION: Common stock, without par value	EXC	The Nasdaq Stock Market LLC

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 every Interactive Data File required to be submitted 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.

Exelon Corporation	Large Accelerated Filer <input checked="" type="checkbox"/>	Accelerated Filer <input type="checkbox"/>	Non-accelerated Filer <input type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>	Emerging Growth Company <input type="checkbox"/>
Commonwealth Edison Company	Large Accelerated Filer <input type="checkbox"/>	Accelerated Filer <input type="checkbox"/>	Non-accelerated Filer <input checked="" type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>	Emerging Growth Company <input type="checkbox"/>
PECO Energy Company	Large Accelerated Filer <input type="checkbox"/>	Accelerated Filer <input type="checkbox"/>	Non-accelerated Filer <input checked="" type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>	Emerging Growth Company <input type="checkbox"/>
Baltimore Gas and Electric Company	Large Accelerated Filer <input type="checkbox"/>	Accelerated Filer <input type="checkbox"/>	Non-accelerated Filer <input checked="" type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>	Emerging Growth Company <input type="checkbox"/>
Pepco Holdings LLC	Large Accelerated Filer <input type="checkbox"/>	Accelerated Filer <input type="checkbox"/>	Non-accelerated Filer <input checked="" type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>	Emerging Growth Company <input type="checkbox"/>
Potomac Electric Power Company	Large Accelerated Filer <input type="checkbox"/>	Accelerated Filer <input type="checkbox"/>	Non-accelerated Filer <input checked="" type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>	Emerging Growth Company <input type="checkbox"/>
Delmarva Power & Light Company	Large Accelerated Filer <input type="checkbox"/>	Accelerated Filer <input type="checkbox"/>	Non-accelerated Filer <input checked="" type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>	Emerging Growth Company <input type="checkbox"/>
Atlantic City Electric Company	Large Accelerated Filer <input type="checkbox"/>	Accelerated Filer <input type="checkbox"/>	Non-accelerated Filer <input checked="" type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>	Emerging Growth Company <input 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 June 30, 2024 was:

Exelon Corporation Common Stock, without par value	1,000,498,207
Commonwealth Edison Company Common Stock, \$12.50 par value	127,021,416
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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	<u>Atlantic City Electric Company</u>

GLOSSARY OF TERMS AND ABBREVIATIONS

Exelon Corporation and Related Entities

<i>Exelon</i>	Exelon Corporation
<i>ComEd</i>	Commonwealth Edison Company
<i>PECO</i>	PECO Energy Company
<i>BGE</i>	Baltimore Gas and Electric Company
<i>Pepco Holdings or PHI</i>	Pepco Holdings LLC
<i>Pepco</i>	Potomac Electric Power Company
<i>DPL</i>	Delmarva Power & Light Company
<i>ACE</i>	Atlantic City Electric Company
<i>Registrants</i>	Exelon, ComEd, PECO, BGE, PHI, Pepco, DPL, and ACE, collectively
<i>Utility Registrants</i>	ComEd, PECO, BGE, Pepco, DPL, and ACE, collectively
<i>BSC</i>	Exelon Business Services Company, LLC
<i>Exelon Corporate</i>	Exelon in its corporate capacity as a holding company
<i>PCI</i>	Potomac Capital Investment Corporation and its subsidiaries
<i>PECO Trust III</i>	PECO Energy Capital Trust III
<i>PECO Trust IV</i>	PECO Energy Capital Trust IV
<i>PHI Corporate</i>	PHI in its corporate capacity as a holding company
<i>PHISCO</i>	PHI Service Company

Former Related Entities

<i>Constellation</i>	Constellation Energy Corporation
<i>Generation</i>	Constellation Energy Generation, LLC (formerly Exelon Generation Company, LLC, a subsidiary of Exelon prior to separation on February 1, 2022)

GLOSSARY OF TERMS AND ABBREVIATIONS

Other Terms and Abbreviations

<i>Note - of the 2023 Form 10-K</i>	Reference to specific Combined Note to Consolidated Financial Statements within Exelon's 2023 Annual Report on Form 10-K
<i>ABO</i>	Accumulated Benefit Obligation
<i>AFUDC</i>	Allowance for Funds Used During Construction
<i>AM</i>	Advanced Metering Infrastructure
<i>AOCI</i>	Accumulated Other Comprehensive Income (Loss)
<i>ARO</i>	Asset Retirement Obligation
<i>ATM</i>	At the market
<i>BGS</i>	Basic Generation Service
<i>BSA</i>	Bill Stabilization Adjustment
<i>CEJA</i>	Climate and Equitable Jobs Act; Illinois Public Act 102-0662 signed into law on September 15, 2021
<i>CERCLA</i>	Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended
<i>CIP</i>	Conservation Incentive Program
<i>CMC</i>	Carbon Mitigation Credit
<i>CODMs</i>	Chief Operating Decision Makers
<i>DC PLUG</i>	District of Columbia Power Line Undergrounding Initiative
<i>DCPSC</i>	Public Service Commission of the District of Columbia
<i>DEPSC</i>	Delaware Public Service Commission
<i>DOEE</i>	District of Columbia Department of Energy & Environment
<i>DPA</i>	Deferred Prosecution Agreement
<i>DSIC</i>	Distribution System Improvement Charge
<i>EDIT</i>	Excess Deferred Income Taxes
<i>EIMA</i>	Energy Infrastructure Modernization Act (Illinois Senate Bill 1652 and Illinois House Bill 3036)
<i>EPA</i>	United States Environmental Protection Agency
<i>ERISA</i>	Employee Retirement Income Security Act of 1974, as amended
<i>ETAC</i>	Energy Transition Assistance Charge
<i>FERC</i>	Federal Energy Regulatory Commission
<i>GAAP</i>	Generally Accepted Accounting Principles in the United States
<i>GCR</i>	Gas Cost Rate
<i>GSA</i>	Generation Supply Adjustment
<i>GWhs</i>	Gigawatt hours
<i>ICC</i>	Illinois Commerce Commission
<i>IJA</i>	Infrastructure Investment and Jobs Act
<i>Illinois Settlement Legislation</i>	Legislation enacted in 2007 affecting electric utilities in Illinois
<i>IPA</i>	Illinois Power Agency
<i>IRA</i>	Inflation Reduction Act
<i>IRC</i>	Internal Revenue Code
<i>IRS</i>	Internal Revenue Service
<i>MDPSC</i>	Maryland Public Service Commission
<i>MGP</i>	Manufactured Gas Plant
<i>mmcf</i>	Million Cubic Feet
<i>MRP</i>	Multi-Year Rate Plan
<i>MWh</i>	Megawatt hour

GLOSSARY OF TERMS AND ABBREVIATIONS

Other Terms and Abbreviations

<i>N/A</i>	Not applicable
<i>NAV</i>	Net Asset Value
<i>NJBPU</i>	New Jersey Board of Public Utilities
<i>NOLC</i>	Tax Net Operating Loss Carryforward
<i>NPNS</i>	Normal Purchase Normal Sale scope exception
<i>NPS</i>	National Park Service
<i>NRD</i>	Natural Resources Damages
<i>OCI</i>	Other Comprehensive Income
<i>OPEB</i>	Other Postretirement Employee Benefits
<i>PAPUC</i>	Pennsylvania Public Utility Commission
<i>PGC</i>	Purchased Gas Cost Clause
<i>PJM</i>	PJM Interconnection, LLC
<i>POLR</i>	Provider of Last Resort
<i>PPA</i>	Power Purchase Agreement
<i>PRPs</i>	Potentially Responsible Parties
<i>REC</i>	Renewable Energy Credit which is issued for each megawatt hour of generation from a qualified renewable energy source
<i>Regulatory Agreement Units</i>	Nuclear generating units or portions thereof whose decommissioning-related activities are subject to contractual elimination under regulatory accounting
<i>Rider</i>	Reconcilable Surcharge Recovery Mechanism
<i>ROE</i>	Return on equity
<i>ROU</i>	Right-of-use
<i>RTO</i>	Regional Transmission Organization
<i>SEC</i>	United States Securities and Exchange Commission
<i>SOFR</i>	Secured Overnight Financing Rate
<i>SOS</i>	Standard Offer Service
<i>TCJA</i>	Tax Cuts and Jobs Act
<i>ZEC</i>	Zero Emission Credit or Zero Emission Certificate

FILING FORMAT

This combined Form 10-Q is being filed separately by Exelon Corporation, 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 federal securities laws that are subject to risks and uncertainties. Words such as "could," "may," "expects," "anticipates," "will," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," "predicts," "should," and variations on such words, and similar expressions that reflect our current views with respect to future events and operational, economic, and financial performance, are intended to identify such forward-looking statements.

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 2023 Form 10-K in (a) Part I, ITEM 1A Risk Factors, (b) Part II, ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and (c) Part II, ITEM 8. Financial Statements and Supplementary Data: Note 18, Commitments and Contingencies; (2) this Quarterly Report on Form 10-Q in (a) Part II, ITEM 1A Risk Factors, (b) Part I, ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, and (c) Part I, ITEM 1. Financial Statements: Note 11, Commitments and Contingencies; and (3) other factors discussed in filings with the SEC by the Registrants.

Investors 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 SEC maintains an Internet site at www.sec.gov that contains reports, proxy and information statements, and other information that the Registrants file electronically with the SEC. These documents are also available to the public from commercial document retrieval services and free of charge at the Registrants' website at www.exeloncorp.com. Information contained on the Registrants' website shall not be deemed incorporated into, or to be a part of, this Report.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

(In millions, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating revenues				
Electric operating revenues	\$ 5,169	\$ 4,434	\$ 10,367	\$ 8,896
Natural gas operating revenues	272	258	1,011	1,080
Revenues from alternative revenue programs	(80)	126	25	404
Total operating revenues	5,361	4,818	11,403	10,380
Operating expenses				
Purchased power	1,938	1,669	4,134	3,402
Purchased fuel	54	58	267	416
Operating and maintenance	1,209	1,197	2,481	2,347
Depreciation and amortization	894	866	1,773	1,727
Taxes other than income taxes	360	324	731	679
Total operating expenses	4,455	4,114	9,386	8,571
Gain on sale of assets	7	—	9	—
Operating income	913	704	2,026	1,809
Other income and (deductions)				
Interest expense, net	(476)	(421)	(938)	(828)
Interest expense to affiliates	(7)	(6)	(12)	(12)
Other, net	64	139	139	249
Total other income and (deductions)	(419)	(288)	(811)	(591)
Income before income taxes	494	416	1,215	1,218
Income taxes	46	73	109	206
Net income attributable to common shareholders	\$ 448	\$ 343	\$ 1,106	\$ 1,012
Comprehensive income, net of income taxes				
Net income	\$ 448	\$ 343	\$ 1,106	\$ 1,012
Other comprehensive income, net of income taxes				
Pension and non-pension postretirement benefit plans				
Actuarial losses reclassified to periodic benefit cost	5	3	10	6
Pension and non-pension postretirement benefit plans valuation adjustments	(2)	(3)	(26)	(13)
Unrealized (loss) gain on cash flow hedges	(3)	9	30	15
Other comprehensive income	—	9	14	8
Comprehensive income attributable to common shareholders	\$ 448	\$ 352	\$ 1,120	\$ 1,020
Average shares of common stock outstanding:				
Basic	1,001	995	1,001	995
Assumed exercise and/or distributions of stock-based awards ^(a)	—	1	—	1
Diluted	1,001	996	1,001	996
Earnings per average common share				
Basic	\$ 0.45	\$ 0.34	\$ 1.11	\$ 1.02
Diluted	\$ 0.45	\$ 0.34	\$ 1.10	\$ 1.02

(a) The dilutive effects of stock-based compensation awards are calculated using the treasury stock method for all periods presented.

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities		
Net income	\$ 1,106	\$ 1,012
Adjustments to reconcile net income to net cash flows provided by operating activities		
Depreciation, amortization, and accretion	1,774	1,727
Gain on sales of assets	(9)	—
Deferred income taxes and amortization of investment tax credits	72	94
Net fair value changes related to derivatives	—	4
Other non-cash operating activities	246	(222)
Changes in assets and liabilities		
Accounts receivable	(443)	387
Inventories	(25)	44
Accounts payable and accrued expenses	(120)	(734)
Collateral received (paid), net	13	(187)
Income taxes	(39)	97
Regulatory assets and liabilities, net	265	(516)
Pension and non-pension postretirement benefit contributions	(125)	(85)
Other assets and liabilities	(261)	140
Net cash flows provided by operating activities	2,454	1,761
Cash flows from investing activities		
Capital expenditures	(3,466)	(3,685)
Other investing activities	(1)	10
Net cash flows used in investing activities	(3,467)	(3,675)
Cash flows from financing activities		
Changes in short-term borrowings	(670)	(1,600)
Proceeds from short-term borrowings with maturities greater than 90 days	150	400
Repayments on short-term borrowings with maturities greater than 90 days	(549)	(150)
Issuance of long-term debt	4,225	5,200
Retirement of long-term debt	(903)	(1,209)
Dividends paid on common stock	(761)	(717)
Proceeds from employee stock plans	22	19
Other financing activities	(67)	(84)
Net cash flows provided by financing activities	1,447	1,859
Increase (decrease) in cash, restricted cash, and cash equivalents	434	(55)
Cash, restricted cash, and cash equivalents at beginning of period	1,101	1,090
Cash, restricted cash, and cash equivalents at end of period	\$ 1,535	\$ 1,035
Supplemental cash flow information		
Decrease in capital expenditures not paid	\$ (74)	\$ (164)

See the Combined Notes to Consolidated Financial Statements

EXELON CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 934	\$ 445
Restricted cash and cash equivalents	530	482
Accounts receivable		
Customer accounts receivable	3,053	2,659
Customer allowance for credit losses	(372)	(317)
Customer accounts receivable, net	2,681	2,342
Other accounts receivable	1,136	1,101
Other allowance for credit losses	(108)	(82)
Other accounts receivable, net	1,028	1,019
Inventories, net		
Fossil fuel	53	94
Materials and supplies	771	707
Regulatory assets	1,945	2,215
Other	615	473
Total current assets	8,557	7,777
Property, plant, and equipment (net of accumulated depreciation and amortization of \$18,160 and \$17,251 as of June 30, 2024 and December 31, 2023, respectively)	75,646	73,593
Deferred debits and other assets		
Regulatory assets	8,703	8,698
Goodwill	6,630	6,630
Receivable related to Regulatory Agreement Units	3,840	3,232
Investments	270	251
Other	1,467	1,365
Total deferred debits and other assets	20,910	20,176
Total assets	\$ 105,113	\$ 101,546

See the Combined Notes to Consolidated Financial Statements

EXELON CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2024	December 31, 2023
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings	\$ 1,454	\$ 2,523
Long-term debt due within one year	1,308	1,403
Accounts payable	2,810	2,846
Accrued expenses	1,241	1,375
Payables to affiliates	5	5
Customer deposits	425	411
Regulatory liabilities	433	389
Mark-to-market derivative liabilities	23	74
Unamortized energy contract liabilities	7	8
Other	569	557
Total current liabilities	8,275	9,591
Long-term debt	43,039	39,692
Long-term debt to financing trusts	390	390
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	12,358	11,956
Regulatory liabilities	10,198	9,576
Pension obligations	1,562	1,571
Non-pension postretirement benefit obligations	524	527
Asset retirement obligations	272	267
Mark-to-market derivative liabilities	121	106
Unamortized energy contract liabilities	23	27
Other	2,199	2,088
Total deferred credits and other liabilities	27,257	26,118
Total liabilities	78,961	75,791
Commitments and contingencies		
Shareholders' equity		
Common stock (No par value, 2,000 shares authorized, 1,000 shares and 999 shares outstanding as of June 30, 2024 and December 31, 2023, respectively)	21,152	21,114
Treasury stock, at cost (2 shares as of June 30, 2024 and December 31, 2023)	(123)	(123)
Retained earnings	5,835	5,490
Accumulated other comprehensive loss, net	(712)	(726)
Total shareholders' equity	26,152	25,755
Total liabilities and shareholders' equity	\$ 105,113	\$ 101,546

See the Combined Notes to Consolidated Financial Statements

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

Six Months Ended June 30, 2024						
(In millions, shares in thousands)	Issued Shares	Common Stock	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss, net	Total Shareholders' Equity
Balance at December 31, 2023	1,001,249	\$ 21,114	\$ (123)	\$ 5,490	\$ (726)	\$ 25,755
Net income	—	—	—	658	—	658
Long-term incentive plan activity	333	2	—	—	—	2
Employee stock purchase plan issuances	276	13	—	—	—	13
Common stock dividends (\$0.38/common share)	—	—	—	(381)	—	(381)
Other comprehensive income, net of income taxes	—	—	—	—	14	14
Balance at March 31, 2024	1,001,858	\$ 21,129	\$ (123)	\$ 5,767	\$ (712)	\$ 26,061
Net income	—	—	—	448	—	448
Long-term incentive plan activity	76	11	—	—	—	11
Employee stock purchase plan issuances	396	12	—	—	—	12
Common stock dividends (\$0.38/common share)	—	—	—	(380)	—	(380)
Balance at June 30, 2024	1,002,330	\$ 21,152	\$ (123)	\$ 5,835	\$ (712)	\$ 26,152

Six Months Ended June 30, 2023						
(In millions, shares in thousands)	Issued Shares	Common Stock	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss, net	Total Shareholders' Equity
Balance at December 31, 2022	995,830	\$ 20,908	\$ (123)	\$ 4,597	\$ (638)	\$ 24,744
Net income	—	—	—	669	—	669
Long-term incentive plan activity	306	1	—	—	—	1
Employee stock purchase plan issuances	266	12	—	—	—	12
Common stock dividends (\$0.36/common share)	—	—	—	(359)	—	(359)
Other comprehensive loss, net of income taxes	—	—	—	—	(1)	(1)
Balance at March 31, 2023	996,402	\$ 20,921	\$ (123)	\$ 4,907	\$ (639)	\$ 25,066
Net income	—	—	—	343	—	343
Long-term incentive plan activity	372	9	—	—	—	9
Employee stock purchase plan issuances	278	11	—	—	—	11
Common stock dividends (\$0.36/common share)	—	—	—	(359)	—	(359)
Other comprehensive income, net of income taxes	—	—	—	—	9	9
Balance at June 30, 2023	997,052	\$ 20,941	\$ (123)	\$ 4,891	\$ (630)	\$ 25,079

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating revenues				
Electric operating revenues	\$ 2,120	\$ 1,781	\$ 4,194	\$ 3,293
Revenues from alternative revenue programs	(43)	118	(24)	270
Operating revenues from affiliates	2	2	4	5
Total operating revenues	2,079	1,901	4,174	3,568
Operating expenses				
Purchased power	763	685	1,670	1,172
Operating and maintenance	345	267	663	521
Operating and maintenance from affiliates	104	88	204	171
Depreciation and amortization	374	350	737	688
Taxes other than income taxes	94	88	188	182
Total operating expenses	1,680	1,478	3,462	2,734
Gain on sale of assets	5	—	5	—
Operating income	404	423	717	834
Other income and (deductions)				
Interest expense, net	(120)	(117)	(239)	(230)
Interest expense to affiliates	(3)	(3)	(7)	(7)
Other, net	20	17	41	34
Total other income and (deductions)	(103)	(103)	(205)	(203)
Income before income taxes	301	320	512	631
Income taxes	31	71	49	142
Net income	\$ 270	\$ 249	\$ 463	\$ 489
Comprehensive income	\$ 270	\$ 249	\$ 463	\$ 489

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities		
Net income	\$ 463	\$ 489
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	737	688
Gain on sales of assets	(5)	—
Deferred income taxes and amortization of investment tax credits	(8)	106
Other non-cash operating activities	69	(260)
Changes in assets and liabilities:		
Accounts receivable	(278)	(30)
Receivables from and payables to affiliates, net	3	(3)
Inventories	(16)	(43)
Accounts payable and accrued expenses	(73)	(311)
Collateral received, net	12	25
Income taxes	(108)	16
Regulatory assets and liabilities, net	446	(459)
Pension and non-pension postretirement benefit contributions	(10)	(24)
Other assets and liabilities	70	110
Net cash flows provided by operating activities	1,302	304
Cash flows from investing activities		
Capital expenditures	(1,111)	(1,262)
Other investing activities	11	3
Net cash flows used in investing activities	(1,100)	(1,259)
Cash flows from financing activities		
Changes in short-term borrowings	(124)	(130)
Proceeds from short-term borrowings with maturities greater than 90 days	—	400
Repayments on short-term borrowings with maturities greater than 90 days	(400)	(150)
Issuance of long-term debt	800	975
Dividends paid on common stock	(388)	(374)
Contributions from parent	78	372
Other financing activities	(11)	(13)
Net cash flows (used in) provided by financing activities	(45)	1,080
Increase in cash, restricted cash, and cash equivalents	157	125
Cash, restricted cash, and cash equivalents at beginning of period	686	511
Cash, restricted cash, and cash equivalents at end of period	\$ 843	\$ 636
Supplemental cash flow information		
Decrease in capital expenditures not paid	\$ (70)	\$ (7)

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	June 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 326	\$ 110
Restricted cash and cash equivalents	446	402
Accounts receivable		
Customer accounts receivable	1,132	860
Customer allowance for credit losses	(112)	(69)
Customer accounts receivable, net	1,020	791
Other accounts receivable	251	242
Other allowance for credit losses	(29)	(17)
Other accounts receivable, net	222	225
Receivables from affiliates	4	3
Inventories, net	294	279
Regulatory assets	1,089	1,335
Other	147	123
Total current assets	3,548	3,268
Property, plant, and equipment (net of accumulated depreciation and amortization of \$7,577 and \$7,222 as of June 30, 2024 and December 31, 2023, respectively)	29,642	29,088
Deferred debits and other assets		
Regulatory assets	2,701	2,794
Goodwill	2,625	2,625
Receivable related to Regulatory Agreement Units	3,566	2,954
Investments	6	6
Prepaid pension asset	1,194	1,217
Other	966	875
Total deferred debits and other assets	11,058	10,471
Total assets	\$ 44,248	\$ 42,827

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	June 30, 2024	December 31, 2023
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings	\$ 78	\$ 602
Long-term debt due within one year	250	250
Accounts payable	806	867
Accrued expenses	393	576
Payables to affiliates	76	72
Customer deposits	123	118
Regulatory liabilities	241	191
Mark-to-market derivative liabilities	23	27
Other	251	219
Total current liabilities	2,241	2,922
Long-term debt	12,026	11,236
Long-term debt to financing trust	206	205
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	5,453	5,327
Regulatory liabilities	8,245	7,493
Asset retirement obligations	152	149
Non-pension postretirement benefits obligations	164	161
Mark-to-market derivative liabilities	116	106
Other	1,129	865
Total deferred credits and other liabilities	15,259	14,101
Total liabilities	29,732	28,464
Commitments and contingencies		
Shareholders' equity		
Common stock	1,588	1,588
Other paid-in capital	10,479	10,401
Retained earnings	2,449	2,374
Total shareholders' equity	14,516	14,363
Total liabilities and shareholders' equity	\$ 44,248	\$ 42,827

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	Six Months Ended June 30, 2024			
	Common Stock	Other Paid-In Capital	Retained Earnings	Total Shareholders' Equity
Balance at December 31, 2023	\$ 1,588	\$ 10,401	\$ 2,374	\$ 14,363
Net income	—	—	193	193
Common stock dividends	—	—	(194)	(194)
Contributions from parent	—	39	—	39
Balance at March 31, 2024	\$ 1,588	\$ 10,440	\$ 2,373	\$ 14,401
Net income	—	—	270	270
Common stock dividends	—	—	(194)	(194)
Contributions from parent	—	39	—	39
Balance at June 30, 2024	\$ 1,588	\$ 10,479	\$ 2,449	\$ 14,516

(In millions)	Six Months Ended June 30, 2023			
	Common Stock	Other Paid-In Capital	Retained Earnings	Total Shareholders' Equity
Balance at December 31, 2022	\$ 1,588	\$ 9,746	\$ 2,030	\$ 13,364
Net income	—	—	241	241
Common stock dividends	—	—	(187)	(187)
Contributions from parent	—	186	—	186
Balance at March 31, 2023	\$ 1,588	\$ 9,932	\$ 2,084	\$ 13,604
Net income	—	—	249	249
Common stock dividends	—	—	(187)	(187)
Contributions from parent	—	186	—	186
Balance at June 30, 2023	\$ 1,588	\$ 10,118	\$ 2,146	\$ 13,852

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating revenues				
Electric operating revenues	\$ 795	\$ 723	\$ 1,576	\$ 1,521
Natural gas operating revenues	94	108	367	425
Revenues from alternative revenue programs	—	(5)	(2)	(10)
Operating revenues from affiliates	2	2	4	4
Total operating revenues	891	828	1,945	1,940
Operating expenses				
Purchased power	298	267	604	597
Purchased fuel	25	35	123	189
Operating and maintenance	209	186	444	405
Operating and maintenance from affiliates	61	53	119	105
Depreciation and amortization	107	99	210	197
Taxes other than income taxes	52	47	103	97
Total operating expenses	752	687	1,603	1,590
Gain on sales of assets	2	—	4	—
Operating income	141	141	346	350
Other income and (deductions)				
Interest expense, net	(54)	(45)	(106)	(90)
Interest expense to affiliates	(3)	(3)	(6)	(7)
Other, net	9	6	18	15
Total other income and (deductions)	(48)	(42)	(94)	(82)
Income before income taxes	93	99	252	268
Income taxes	3	2	13	5
Net income	\$ 90	\$ 97	\$ 239	\$ 263
Comprehensive income	\$ 90	\$ 97	\$ 239	\$ 263

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities		
Net income	\$ 239	\$ 263
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	210	197
Gain on sales of assets	(4)	—
Deferred income taxes and amortization of investment tax credits	(14)	(26)
Other non-cash operating activities	37	12
Changes in assets and liabilities:		
Accounts receivable	(83)	182
Receivables from and payables to affiliates, net	1	(3)
Inventories	13	52
Accounts payable and accrued expenses	(57)	(167)
Income taxes	(19)	56
Regulatory assets and liabilities, net	(15)	14
Pension and non-pension postretirement benefit contributions	(3)	(1)
Other assets and liabilities	(65)	(34)
Net cash flows provided by operating activities	240	545
Cash flows from investing activities		
Capital expenditures	(743)	(707)
Changes in Exelon intercompany money pool	—	(225)
Other investing activities	5	—
Net cash flows used in investing activities	(738)	(932)
Cash flows from financing activities		
Changes in short-term borrowings	95	(239)
Issuance of long-term debt	—	575
Retirement of long-term debt	—	(50)
Dividends paid on common stock	(200)	(202)
Contributions from parent	580	330
Other financing activities	—	(4)
Net cash flows provided by financing activities	475	410
(Decrease) increase in cash, restricted cash, and cash equivalents	(23)	23
Cash, restricted cash, and cash equivalents at beginning of period	51	68
Cash, restricted cash, and cash equivalents at end of period	\$ 28	\$ 91
Supplemental cash flow information		
Increase in capital expenditures not paid	\$ 21	\$ 3

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	June 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 19	\$ 42
Restricted cash and cash equivalents	9	9
Accounts receivable		
Customer accounts receivable	578	527
Customer allowance for credit losses	(112)	(95)
Customer accounts receivable, net	466	432
Other accounts receivable	143	117
Other allowance for credit losses	(20)	(8)
Other accounts receivable, net	123	109
Receivables from affiliates	1	2
Inventories, net		
Fossil fuel	27	50
Materials and supplies	77	67
Prepaid utility taxes	90	2
Regulatory assets	115	127
Other	93	63
Total current assets	1,020	903
Property, plant, and equipment (net of accumulated depreciation and amortization of \$4,189 and \$4,097 as of June 30, 2024 and December 31, 2023, respectively)	13,699	13,128
Deferred debits and other assets		
Regulatory assets	861	793
Receivable related to Regulatory Agreement Units	274	278
Investments	37	35
Prepaid pension asset	433	429
Other	30	29
Total deferred debits and other assets	1,635	1,564
Total assets	\$ 16,354	\$ 15,595

See the Combined Notes to Consolidated Financial Statements
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PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2024	December 31, 2023
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Short-term borrowings	\$ 260	\$ 165
Accounts payable	522	512
Accrued expenses	184	236
Payables to affiliates	39	39
Customer deposits	78	79
Renewable energy credit obligation	72	36
Regulatory liabilities	79	92
Other	34	23
Total current liabilities	1,268	1,182
Long-term debt	5,135	5,134
Long-term debt to financing trusts	184	184
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	2,367	2,321
Regulatory liabilities	311	314
Asset retirement obligations	27	26
Non-pension postretirement benefits obligations	287	286
Other	87	79
Total deferred credits and other liabilities	3,079	3,026
Total liabilities	9,666	9,526
Commitments and contingencies		
Shareholder's equity		
Common stock	4,630	4,050
Retained earnings	2,058	2,019
Total shareholder's equity	6,688	6,069
Total liabilities and shareholder's equity	\$ 16,354	\$ 15,595

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	Six Months Ended June 30, 2024		
	Common Stock	Retained Earnings	Total Shareholder's Equity
Balance at December 31, 2023	\$ 4,050	\$ 2,019	\$ 6,069
Net income	—	149	149
Common stock dividends	—	(100)	(100)
Contributions from parent	580	—	580
Balance at March 31, 2024	\$ 4,630	\$ 2,068	\$ 6,698
Net income	—	90	90
Common stock dividends	—	(100)	(100)
Balance at June 30, 2024	<u>\$ 4,630</u>	<u>\$ 2,058</u>	<u>\$ 6,688</u>

(In millions)	Six Months Ended June 30, 2023		
	Common Stock	Retained Earnings	Total Shareholder's Equity
Balance at December 31, 2022	\$ 3,702	\$ 1,861	\$ 5,563
Net income	—	166	166
Common stock dividends	—	(101)	(101)
Contributions from parent	330	—	330
Balance at March 31, 2023	\$ 4,032	\$ 1,926	\$ 5,958
Net income	—	97	97
Common stock dividends	—	(101)	(101)
Balance at June 30, 2023	<u>\$ 4,032</u>	<u>\$ 1,922</u>	<u>\$ 5,954</u>

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating revenues				
Electric operating revenues	\$ 799	\$ 670	\$ 1,656	\$ 1,449
Natural gas operating revenues	150	121	545	530
Revenues from alternative revenue programs	(23)	4	19	70
Operating revenues from affiliates	2	2	5	4
Total operating revenues	928	797	2,225	2,053
Operating expenses				
Purchased power	323	261	700	604
Purchased fuel	20	11	107	160
Operating and maintenance	188	144	392	311
Operating and maintenance from affiliates	62	54	122	108
Depreciation and amortization	162	158	312	325
Taxes other than income taxes	80	76	169	159
Total operating expenses	835	704	1,802	1,667
Operating income	93	93	423	386
Other income and (deductions)				
Interest expense, net	(53)	(44)	(103)	(88)
Other, net	8	5	16	8
Total other income and (deductions)	(45)	(39)	(87)	(80)
Income before income taxes	48	54	336	306
Income taxes	4	12	28	65
Net income	\$ 44	\$ 42	\$ 308	\$ 241
Comprehensive income	\$ 44	\$ 42	\$ 308	\$ 241

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities		
Net income	\$ 308	\$ 241
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	312	325
Deferred income taxes and amortization of investment tax credits	(4)	38
Other non-cash operating activities	15	(36)
Changes in assets and liabilities:		
Accounts receivable	(20)	185
Receivables from and payables to affiliates, net	3	(8)
Inventories	3	51
Accounts payable and accrued expenses	5	(114)
Collateral paid, net	—	(22)
Income taxes	(43)	8
Regulatory assets and liabilities, net	(32)	(83)
Pension and non-pension postretirement benefit contributions	(30)	(11)
Other assets and liabilities	53	37
Net cash flows provided by operating activities	570	611
Cash flows from investing activities		
Capital expenditures	(668)	(656)
Other investing activities	9	4
Net cash flows used in investing activities	(659)	(652)
Cash flows from financing activities		
Changes in short-term borrowings	(336)	(408)
Issuance of long-term debt	800	700
Retirement of long-term debt	—	(300)
Dividends paid on common stock	(184)	(158)
Contributions from parent	197	237
Other financing activities	(8)	(7)
Net cash flows provided by financing activities	469	64
Increase in cash, restricted cash, and cash equivalents	380	23
Cash, restricted cash, and cash equivalents at beginning of period	48	67
Cash, restricted cash, and cash equivalents at end of period	\$ 428	\$ 90
Supplemental cash flow information		
Increase (decrease) in capital expenditures not paid	\$ 32	\$ (60)

See the Combined Notes to Consolidated Financial Statements
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BALTIMORE GAS AND ELECTRIC COMPANY
BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 428	\$ 47
Restricted cash and cash equivalents	—	1
Accounts receivable		
Customer accounts receivable	539	527
Customer allowance for credit losses	(45)	(46)
Customer accounts receivable, net	494	481
Other accounts receivable	100	106
Other allowance for credit losses	(5)	(7)
Other accounts receivable, net	95	99
Inventories, net		
Fossil fuel	22	35
Materials and supplies	84	74
Prepaid utility taxes	—	56
Regulatory assets	208	229
Other	20	25
Total current assets	1,351	1,047
Property, plant, and equipment (net of accumulated depreciation and amortization of \$4,905 and \$4,744 as of June 30, 2024 and December 31, 2023, respectively)	12,544	12,102
Deferred debits and other assets		
Regulatory assets	751	727
Investments	9	9
Prepaid pension asset	241	248
Other	49	51
Total deferred debits and other assets	1,050	1,035
Total assets	\$ 14,945	\$ 14,184

See the Combined Notes to Consolidated Financial Statements
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BALTIMORE GAS AND ELECTRIC COMPANY
BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2024	December 31, 2023
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Short-term borrowings	\$ —	\$ 336
Accounts payable	395	344
Accrued expenses	144	203
Payables to affiliates	37	35
Customer deposits	117	114
Regulatory liabilities	21	27
Other	31	34
Total current liabilities	745	1,093
Long-term debt	5,394	4,602
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	2,029	1,945
Regulatory liabilities	690	773
Asset retirement obligations	32	32
Non-pension postretirement benefits obligations	152	158
Other	92	91
Total deferred credits and other liabilities	2,995	2,999
Total liabilities	9,134	8,694
Commitments and contingencies		
Shareholder's equity		
Common stock	3,443	3,246
Retained earnings	2,368	2,244
Total shareholder's equity	5,811	5,490
Total liabilities and shareholder's equity	\$ 14,945	\$ 14,184

See the Combined Notes to Consolidated Financial Statements

BALTIMORE GAS AND ELECTRIC COMPANY
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
(Unaudited)

(In millions)	Six Months Ended June 30, 2024		
	Common Stock	Retained Earnings	Total Shareholder's Equity
Balance at December 31, 2023	\$ 3,246	\$ 2,244	\$ 5,490
Net income	—	264	264
Common stock dividends	—	(92)	(92)
Balance at March 31, 2024	\$ 3,246	\$ 2,416	\$ 5,662
Net income	—	44	44
Common stock dividends	—	(92)	(92)
Contributions from parent	197	—	197
Balance at June 30, 2024	<u>\$ 3,443</u>	<u>\$ 2,368</u>	<u>\$ 5,811</u>

(In millions)	Six Months Ended June 30, 2023		
	Common Stock	Retained Earnings	Total Shareholder's Equity
Balance at December 31, 2022	\$ 2,861	\$ 2,075	\$ 4,936
Net income	—	200	200
Common stock dividends	—	(80)	(80)
Contributions from parent	237	—	237
Balance at March 31, 2023	\$ 3,098	\$ 2,195	\$ 5,293
Net income	—	42	42
Common stock dividends	—	(79)	(79)
Balance at June 30, 2023	<u>\$ 3,098</u>	<u>\$ 2,158</u>	<u>\$ 5,256</u>

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating revenues				
Electric operating revenues	\$ 1,455	\$ 1,265	\$ 2,941	\$ 2,637
Natural gas operating revenues	28	29	100	126
Revenues from alternative revenue programs	(14)	9	32	74
Operating revenues from affiliates	2	2	4	4
Total operating revenues	1,471	1,305	3,077	2,841
Operating expenses				
Purchased power	553	455	1,160	1,027
Purchased fuel	9	12	37	67
Operating and maintenance	231	260	506	527
Operating and maintenance from affiliates	50	44	101	86
Depreciation and amortization	235	243	481	484
Taxes other than income taxes	126	112	254	232
Total operating expenses	1,204	1,126	2,539	2,423
Operating income	267	179	538	418
Other income and (deductions)				
Interest expense, net	(92)	(81)	(183)	(157)
Other, net	29	25	57	51
Total other income and (deductions)	(63)	(56)	(126)	(106)
Income before income taxes	204	123	412	312
Income taxes	46	20	86	54
Net income	\$ 158	\$ 103	\$ 326	\$ 258
Comprehensive income	\$ 158	\$ 103	\$ 326	\$ 258

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities		
Net income	\$ 326	\$ 258
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	481	484
Deferred income taxes and amortization of investment tax credits	26	26
Other non-cash operating activities	47	20
Changes in assets and liabilities:		
Accounts receivable	(77)	55
Receivables from and payables to affiliates, net	3	(8)
Inventories	(25)	(14)
Accounts payable and accrued expenses	90	(25)
Collateral received (paid), net	2	(191)
Income taxes	(54)	6
Regulatory assets and liabilities, net	(126)	8
Pension and non-pension postretirement benefit contributions	(75)	(11)
Other assets and liabilities	(81)	(80)
Net cash flows provided by operating activities	537	528
Cash flows from investing activities		
Capital expenditures	(903)	(1,022)
Other investing activities	—	8
Net cash flows used in investing activities	(903)	(1,014)
Cash flows from financing activities		
Changes in short-term borrowings	(394)	(377)
Issuance of long-term debt	925	450
Retirement of long-term debt	(400)	—
Changes in Exelon intercompany money pool	(8)	8
Distributions to member	(282)	(212)
Contributions from member	487	405
Other financing activities	(25)	(25)
Net cash flows provided by financing activities	303	249
Decrease in cash, restricted cash, and cash equivalents	(63)	(237)
Cash, restricted cash, and cash equivalents at beginning of period	204	373
Cash, restricted cash, and cash equivalents at end of period	\$ 141	\$ 136
Supplemental cash flow information		
Decrease in capital expenditures not paid	\$ (25)	\$ (91)

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	June 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 119	\$ 180
Restricted cash and cash equivalents	22	24
Accounts receivable		
Customer accounts receivable	805	745
Customer allowance for credit losses	(103)	(107)
Customer accounts receivable, net	702	638
Other accounts receivable	302	310
Other allowance for credit losses	(54)	(50)
Other accounts receivable, net	248	260
Receivables from affiliates	3	3
Inventories, net		
Fossil fuel	5	9
Materials and supplies	316	287
Regulatory assets	343	337
Other	95	100
Total current assets	1,853	1,838
Property, plant, and equipment (net of accumulated depreciation and amortization of \$3,443 and \$3,175 as of June 30, 2024 and December 31, 2023, respectively)	19,379	18,851
Deferred debits and other assets		
Regulatory assets	1,620	1,587
Goodwill	4,005	4,005
Investments	149	143
Prepaid pension asset	293	268
Other	202	211
Total deferred debits and other assets	6,269	6,214
Total assets	\$ 27,501	\$ 26,903

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	June 30, 2024	December 31, 2023
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Short-term borrowings	\$ —	\$ 394
Long-term debt due within one year	244	644
Accounts payable	716	683
Accrued expenses	309	338
Payables to affiliates	62	59
Borrowings from Exelon intercompany money pool	57	65
Customer deposits	107	100
Regulatory liabilities	82	71
Unamortized energy contract liabilities	6	8
PPA termination obligation	20	49
Other	106	138
Total current liabilities	1,709	2,549
Long-term debt	8,904	8,004
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	3,100	3,031
Regulatory liabilities	863	904
Asset retirement obligations	57	55
Non-pension postretirement benefit obligations	36	40
Unamortized energy contract liabilities	23	27
Other	496	511
Total deferred credits and other liabilities	4,575	4,568
Total liabilities	15,188	15,121
Commitments and contingencies		
Member's equity		
Membership interest	12,544	12,057
Undistributed losses	(231)	(275)
Total member's equity	12,313	11,782
Total liabilities and member's equity	\$ 27,501	\$ 26,903

See the Combined Notes to Consolidated Financial Statements

PEPCO HOLDINGS LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBER'S EQUITY
(Unaudited)

(In millions)	Six Months Ended June 30, 2024		
	Membership Interest	Undistributed (Losses)/Gains	Total Member's Equity
Balance at December 31, 2023	\$ 12,057	\$ (275)	\$ 11,782
Net income	—	168	168
Distributions to member	—	(118)	(118)
Contributions from member	487	—	487
Balance at March 31, 2024	\$ 12,544	\$ (225)	\$ 12,319
Net income	—	158	158
Distributions to member	—	(164)	(164)
Balance at June 30, 2024	<u>\$ 12,544</u>	<u>\$ (231)</u>	<u>\$ 12,313</u>

(In millions)	Six Months Ended June 30, 2023		
	Membership Interest	Undistributed (Losses)/Gains	Total Member's Equity
Balance at December 31, 2022	\$ 11,582	\$ (352)	\$ 11,230
Net income	—	155	155
Distributions to member	—	(112)	(112)
Contributions from member	405	—	405
Balance at March 31, 2023	\$ 11,987	\$ (309)	\$ 11,678
Net income	—	103	103
Distributions to member	—	(100)	(100)
Balance at June 30, 2023	<u>\$ 11,987</u>	<u>\$ (306)</u>	<u>\$ 11,681</u>

See the Combined Notes to Consolidated Financial Statements

POTOMAC ELECTRIC POWER COMPANY
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating revenues				
Electric operating revenues	\$ 691	\$ 633	\$ 1,419	\$ 1,302
Revenues from alternative revenue programs	7	7	37	46
Operating revenues from affiliates	2	2	3	3
Total operating revenues	700	642	1,459	1,351
Operating expenses				
Purchased power	234	204	514	462
Operating and maintenance	37	82	123	175
Operating and maintenance from affiliates	65	58	129	115
Depreciation and amortization	98	109	205	216
Taxes other than income taxes	100	88	203	183
Total operating expenses	534	541	1,174	1,151
Operating income	166	101	285	200
Other income and (deductions)				
Interest expense, net	(46)	(43)	(92)	(81)
Other, net	16	16	32	33
Total other income and (deductions)	(30)	(27)	(60)	(48)
Income before income taxes	136	74	225	152
Income taxes	28	10	42	22
Net income	\$ 108	\$ 64	\$ 183	\$ 130
Comprehensive income	\$ 108	\$ 64	\$ 183	\$ 130

See the Combined Notes to Consolidated Financial Statements

POTOMAC ELECTRIC POWER COMPANY
STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities		
Net income	\$ 183	\$ 130
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	205	216
Deferred income taxes and amortization of investment tax credits	10	12
Other non-cash operating activities	(23)	3
Changes in assets and liabilities:		
Accounts receivable	(30)	12
Receivables from and payables to affiliates, net	7	(2)
Inventories	(12)	(10)
Accounts payable and accrued expenses	47	(21)
Collateral paid, net	—	(26)
Income taxes	(45)	(1)
Regulatory assets and liabilities, net	(48)	(6)
Pension and non-pension postretirement benefit contributions	(5)	(8)
Other assets and liabilities	(34)	7
Net cash flows provided by operating activities	255	306
Cash flows from investing activities		
Capital expenditures	(454)	(483)
Changes in PHI intercompany money pool	(57)	—
Other investing activities	—	8
Net cash flows used in investing activities	(511)	(475)
Cash flows from financing activities		
Changes in short-term borrowings	(132)	(299)
Issuance of long-term debt	675	250
Retirement of long-term debt	(400)	—
Changes in PHI intercompany money pool	—	52
Dividends paid on common stock	(153)	(115)
Contributions from parent	251	243
Other financing activities	(17)	(19)
Net cash flows provided by financing activities	224	112
Decrease in cash, restricted cash, and cash equivalents	(32)	(57)
Cash, restricted cash, and cash equivalents at beginning of period	72	99
Cash, restricted cash, and cash equivalents at end of period	<u>\$ 40</u>	<u>\$ 42</u>
Supplemental cash flow information		
Decrease in capital expenditures not paid	\$ (18)	\$ (43)

See the Combined Notes to Consolidated Financial Statements

POTOMAC ELECTRIC POWER COMPANY
BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 19	\$ 48
Restricted cash and cash equivalents	21	24
Accounts receivable		
Customer accounts receivable	392	369
Customer allowance for credit losses	(53)	(52)
Customer accounts receivable, net	339	317
Other accounts receivable	164	166
Other allowance for credit losses	(34)	(28)
Other accounts receivable, net	130	138
Receivables from affiliates	—	2
Receivable from PHI intercompany money pool	57	—
Inventories, net	171	159
Regulatory assets	151	150
Other	17	51
Total current assets	905	889
Property, plant, and equipment (net of accumulated depreciation and amortization of \$4,399 and \$4,284 as of June 30, 2024 and December 31, 2023, respectively)	9,730	9,430
Deferred debits and other assets		
Regulatory assets	488	450
Investments	130	124
Prepaid pension asset	234	246
Other	55	55
Total deferred debits and other assets	907	875
Total assets	\$ 11,542	\$ 11,194

See the Combined Notes to Consolidated Financial Statements

POTOMAC ELECTRIC POWER COMPANY
BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2024	December 31, 2023
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Short-term borrowings	\$ —	\$ 132
Long-term debt due within one year	6	405
Accounts payable	309	321
Accrued expenses	174	191
Payables to affiliates	37	32
Customer deposits	52	47
Regulatory liabilities	16	15
Merger related obligation	22	25
Other	39	61
Total current liabilities	655	1,229
Long-term debt	4,356	3,691
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	1,468	1,431
Regulatory liabilities	354	382
Asset retirement obligations	38	37
Other	246	280
Total deferred credits and other liabilities	2,106	2,130
Total liabilities	7,117	7,050
Commitments and contingencies		
Shareholder's equity		
Common stock	3,326	3,075
Retained earnings	1,099	1,069
Total shareholder's equity	4,425	4,144
Total liabilities and shareholder's equity	\$ 11,542	\$ 11,194

See the Combined Notes to Consolidated Financial Statements

POTOMAC ELECTRIC POWER COMPANY
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
(Unaudited)

(In millions)	Six Months Ended June 30, 2024		
	Common Stock	Retained Earnings	Total Shareholder's Equity
Balance at December 31, 2023	\$ 3,075	\$ 1,069	\$ 4,144
Net income	—	75	75
Common stock dividends	—	(51)	(51)
Contributions from parent	251	—	251
Balance at March 31, 2024	\$ 3,326	\$ 1,093	\$ 4,419
Net income	—	108	108
Common stock dividends	—	(102)	(102)
Balance at June 30, 2024	<u>\$ 3,326</u>	<u>\$ 1,099</u>	<u>\$ 4,425</u>

(In millions)	Six Months Ended June 30, 2023		
	Common Stock	Retained Earnings	Total Shareholder's Equity
Balance at December 31, 2022	\$ 2,767	\$ 1,015	\$ 3,782
Net income	—	65	65
Common stock dividends	—	(48)	(48)
Contributions from parent	243	—	243
Balance at March 31, 2023	\$ 3,010	\$ 1,032	\$ 4,042
Net income	—	64	64
Common stock dividends	—	(67)	(67)
Balance at June 30, 2023	<u>\$ 3,010</u>	<u>\$ 1,029</u>	<u>\$ 4,039</u>

See the Combined Notes to Consolidated Financial Statements

DELMARVA POWER & LIGHT COMPANY
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating revenues				
Electric operating revenues	\$ 361	\$ 315	\$ 773	\$ 682
Natural gas operating revenues	28	29	100	126
Revenues from alternative revenue programs	—	3	4	12
Operating revenues from affiliates	1	2	3	3
Total operating revenues	390	349	880	823
Operating expenses				
Purchased power	147	127	333	293
Purchased fuel	9	12	37	67
Operating and maintenance	50	45	101	91
Operating and maintenance from affiliates	46	43	91	84
Depreciation and amortization	61	60	122	121
Taxes other than income taxes	19	18	39	37
Total operating expenses	332	305	723	693
Operating income	58	44	157	130
Other income and (deductions)				
Interest expense, net	(24)	(18)	(46)	(36)
Other, net	8	4	15	8
Total other income and (deductions)	(16)	(14)	(31)	(28)
Income before income taxes	42	30	126	102
Income taxes	8	5	25	17
Net income	\$ 34	\$ 25	\$ 101	\$ 85
Comprehensive income	\$ 34	\$ 25	\$ 101	\$ 85

See the Combined Notes to Consolidated Financial Statements

DELMARVA POWER & LIGHT COMPANY
STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities		
Net income	\$ 101	\$ 85
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	122	121
Deferred income taxes and amortization of investment tax credits	7	3
Other non-cash operating activities	15	2
Changes in assets and liabilities:		
Accounts receivable	4	48
Receivables from and payables to affiliates, net	2	1
Inventories	(10)	5
Accounts payable and accrued expenses	38	(9)
Collateral paid, net	—	(121)
Income taxes	(24)	11
Regulatory assets and liabilities, net	(26)	25
Other assets and liabilities	21	10
Net cash flows provided by operating activities	250	181
Cash flows from investing activities		
Capital expenditures	(268)	(258)
Changes in PHI intercompany money pool	(125)	(102)
Net cash flows used in investing activities	(393)	(360)
Cash flows from financing activities		
Changes in short-term borrowings	(63)	(115)
Issuance of long-term debt	175	125
Dividends paid on common stock	(84)	(60)
Contributions from parent	154	99
Other financing activities	(4)	(4)
Net cash flows provided by financing activities	178	45
Increase (decrease) in cash, restricted cash, and cash equivalents	35	(134)
Cash, restricted cash, and cash equivalents at beginning of period	16	152
Cash, restricted cash, and cash equivalents at end of period	<u>\$ 51</u>	<u>\$ 18</u>
Supplemental cash flow information		
Decrease in capital expenditures not paid	\$ (2)	\$ (3)

See the Combined Notes to Consolidated Financial Statements

DELMARVA POWER & LIGHT COMPANY
BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 50	\$ 16
Restricted cash and cash equivalents	1	—
Accounts receivable		
Customer accounts receivable	172	183
Customer allowance for credit losses	(16)	(19)
Customer accounts receivable, net	156	164
Other accounts receivable	53	52
Other allowance for credit losses	(7)	(8)
Other accounts receivable, net	46	44
Receivables from affiliates	—	1
Receivable from PHI intercompany pool	125	—
Inventories, net		
Fossil fuel	5	9
Materials and supplies	86	72
Prepaid utility taxes	—	24
Regulatory assets	69	54
Other	25	14
Total current assets	563	398
Property, plant, and equipment (net of accumulated depreciation and amortization of \$2,003 and \$1,925 as of June 30, 2024 and December 31, 2023, respectively)	5,324	5,165
Deferred debits and other assets		
Regulatory assets	214	218
Prepaid pension asset	128	135
Other	48	50
Total deferred debits and other assets	390	403
Total assets	\$ 6,277	\$ 5,966

See the Combined Notes to Consolidated Financial Statements
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DELMARVA POWER & LIGHT COMPANY
BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2024	December 31, 2023
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Short-term borrowings	\$ —	\$ 63
Long-term debt due within one year	85	84
Accounts payable	191	159
Accrued expenses	45	64
Payables to affiliates	26	25
Customer deposits	33	31
Regulatory liabilities	60	50
Other	18	21
Total current liabilities	458	497
Long-term debt	2,169	1,996
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	923	904
Regulatory liabilities	343	365
Asset retirement obligations	13	12
Non-pension postretirement benefits obligations	6	6
Other	102	93
Total deferred credits and other liabilities	1,387	1,380
Total liabilities	4,014	3,873
Commitments and contingencies		
Shareholder's equity		
Common stock	1,609	1,455
Retained earnings	654	638
Total shareholder's equity	2,263	2,093
Total liabilities and shareholder's equity	\$ 6,277	\$ 5,966

See the Combined Notes to Consolidated Financial Statements

DELMARVA POWER & LIGHT COMPANY
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
(Unaudited)

(In millions)	Six Months Ended June 30, 2024		
	Common Stock	Retained Earnings	Total Shareholder's Equity
Balance at December 31, 2023	\$ 1,455	\$ 638	\$ 2,093
Net income	—	66	66
Common stock dividends	—	(45)	(45)
Contributions from parent	154	—	154
Balance at March 31, 2024	\$ 1,609	\$ 659	\$ 2,268
Net income	—	34	34
Common stock dividends	—	(39)	(39)
Balance at June 30, 2024	\$ 1,609	\$ 654	\$ 2,263

(In millions)	Six Months Ended June 30, 2023		
	Common Stock	Retained Earnings	Total Shareholder's Equity
Balance at December 31, 2022	\$ 1,356	\$ 594	\$ 1,950
Net income	—	60	60
Common stock dividends	—	(42)	(42)
Contributions from parent	99	—	99
Balance at March 31, 2023	\$ 1,455	\$ 612	\$ 2,067
Net income	—	25	25
Common stock dividends	—	(18)	(18)
Balance at June 30, 2023	\$ 1,455	\$ 619	\$ 2,074

See the Combined Notes to Consolidated Financial Statements
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ATLANTIC CITY ELECTRIC COMPANY AND SUBSIDIARY COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating revenues				
Electric operating revenues	\$ 403	\$ 317	\$ 748	\$ 653
Revenues from alternative revenue programs	(21)	(1)	(9)	16
Operating revenues from affiliates	1	1	1	1
Total operating revenues	383	317	740	670
Operating expenses				
Purchased power	172	124	312	273
Operating and maintenance	50	48	97	91
Operating and maintenance from affiliates	42	37	81	74
Depreciation and amortization	72	68	146	135
Taxes other than income taxes	2	3	5	4
Total operating expenses	338	280	641	577
Operating income	45	37	99	93
Other income and (deductions)				
Interest expense, net	(20)	(17)	(39)	(34)
Other, net	4	4	8	9
Total other income and (deductions)	(16)	(13)	(31)	(25)
Income before income taxes	29	24	68	68
Income taxes	8	6	18	17
Net income	\$ 21	\$ 18	\$ 50	\$ 51
Comprehensive income	\$ 21	\$ 18	\$ 50	\$ 51

See the Combined Notes to Consolidated Financial Statements

ATLANTIC CITY ELECTRIC COMPANY AND SUBSIDIARY COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities		
Net income	\$ 50	\$ 51
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	146	135
Deferred income taxes and amortization of investment tax credits	12	12
Other non-cash operating activities	30	(3)
Changes in assets and liabilities:		
Accounts receivable	(50)	(5)
Receivables from and payables to affiliates, net	(2)	(5)
Inventories	(3)	(9)
Accounts payable and accrued expenses	26	15
Collateral received (paid), net	2	(45)
Income taxes	(10)	(4)
Regulatory assets and liabilities, net	(51)	(12)
Pension and non-pension postretirement benefit contributions	(8)	—
Other assets and liabilities	(60)	(89)
Net cash flows provided by operating activities	82	41
Cash flows from investing activities		
Capital expenditures	(180)	(275)
Net cash flows used in investing activities	(180)	(275)
Cash flows from financing activities		
Changes in short-term borrowings	(199)	37
Issuance of long-term debt	75	75
Changes in PHI intercompany money pool	182	50
Dividends paid on common stock	(44)	(36)
Contributions from parent	81	63
Other financing activities	(3)	(3)
Net cash flows provided by financing activities	92	186
Decrease in cash and cash equivalents	(6)	(48)
Cash and cash equivalents at beginning of period	21	72
Cash and cash equivalents at end of period	<u>\$ 15</u>	<u>\$ 24</u>
Supplemental cash flow information		
Decrease in capital expenditures not paid	\$ (5)	\$ (44)

See the Combined Notes to Consolidated Financial Statements

ATLANTIC CITY ELECTRIC COMPANY AND SUBSIDIARY COMPANY
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 15	\$ 21
Accounts receivable		
Customer accounts receivable	241	194
Customer allowance for credit losses	(34)	(36)
Customer accounts receivable, net	207	158
Other accounts receivable	92	92
Other allowance for credit losses	(13)	(14)
Other accounts receivable, net	79	78
Receivables from affiliates	3	3
Inventories, net	58	55
Prepaid utility taxes	41	—
Regulatory assets	116	125
Other	7	5
Total current assets	526	445
Property, plant, and equipment (net of accumulated depreciation and amortization of \$1,728 and \$1,684 as of June 30, 2024 and December 31, 2023, respectively)	4,268	4,192
Deferred debits and other assets		
Regulatory assets	497	483
Prepaid pension asset	2	3
Other	34	34
Total deferred debits and other assets	533	520
Total assets	\$ 5,327	\$ 5,157

See the Combined Notes to Consolidated Financial Statements

ATLANTIC CITY ELECTRIC COMPANY AND SUBSIDIARY COMPANY
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	June 30, 2024	December 31, 2023
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Short-term borrowings	\$ —	\$ 199
Long-term debt due within one year	154	154
Accounts payable	206	192
Accrued expenses	45	42
Payables to affiliates	24	25
Borrowings from PHJ intercompany money pool	182	—
Customer deposits	22	23
Regulatory liabilities	6	6
PPA termination obligation	20	49
Other	10	12
Total current liabilities	669	702
Long-term debt	1,755	1,679
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	785	771
Regulatory liabilities	150	140
Non-pension postretirement benefit obligations	2	4
Other	67	49
Total deferred credits and other liabilities	1,004	964
Total liabilities	3,428	3,345
Commitments and contingencies		
Shareholder's equity		
Common stock	1,911	1,830
Retained deficit	(12)	(18)
Total shareholder's equity	1,899	1,812
Total liabilities and shareholder's equity	\$ 5,327	\$ 5,157

See the Combined Notes to Consolidated Financial Statements

ATLANTIC CITY ELECTRIC COMPANY AND SUBSIDIARY COMPANY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
(Unaudited)

(In millions)	Six Months Ended June 30, 2024		
	Common Stock	Retained (Deficit)	Total Shareholder's Equity
Balance at December 31, 2023	\$ 1,830	\$ (18)	\$ 1,812
Net income	—	29	29
Common stock dividends	—	(22)	(22)
Contributions from parent	81	—	81
Balance at March 31, 2024	\$ 1,911	\$ (11)	\$ 1,900
Net income	—	21	21
Common stock dividends	—	(22)	(22)
Balance at June 30, 2024	\$ 1,911	\$ (12)	\$ 1,899

(In millions)	Six Months Ended June 30, 2023		
	Common Stock	Retained (Deficit) Earnings	Total Shareholder's Equity
Balance at December 31, 2022	\$ 1,765	\$ (12)	\$ 1,753
Net income	—	33	33
Common stock dividends	—	(21)	(21)
Contributions from parent	63	—	63
Balance at March 31, 2023	\$ 1,828	\$ —	\$ 1,828
Net income	—	18	18
Common stock dividends	—	(15)	(15)
Balance at June 30, 2023	\$ 1,828	\$ 3	\$ 1,831

See the Combined Notes to Consolidated Financial Statements
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COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in millions, except per share data, unless otherwise noted)

Note 1 — Significant Accounting Policies

1. Significant Accounting Policies (All Registrants)

Description of Business

Exelon is a utility services holding company engaged in the energy transmission and distribution businesses through ComEd, PECO, BGE, Pepco, DPL, and ACE.

Name of Registrant	Business	Service Territories
Commonwealth Edison Company	Purchase and regulated retail sale of electricity Transmission and distribution of electricity to retail customers	Northern Illinois, including the City of Chicago
PECO Energy Company	Purchase and regulated retail sale of electricity and natural gas Transmission and distribution of electricity and distribution of natural gas to retail customers	Southeastern Pennsylvania, including the City of Philadelphia (electricity) Pennsylvania counties surrounding the City of Philadelphia (natural gas) Central Maryland, including the City of Baltimore (electricity and natural gas)
Baltimore Gas and Electric Company	Purchase and regulated retail sale of electricity and natural gas Transmission and distribution of electricity and distribution of natural gas to retail customers	
Pepco Holdings LLC	Utility services holding company engaged, through its reportable segments Pepco, DPL, and ACE	Service Territories of Pepco, DPL, and ACE
Potomac Electric Power Company	Purchase and regulated retail sale of electricity Transmission and distribution of electricity to retail customers	District of Columbia, and major portions of Montgomery and Prince George's Counties, Maryland
Delmarva Power & Light Company	Purchase and regulated retail sale of electricity and natural gas Transmission and distribution of electricity and distribution of natural gas to retail customers	Portions of Delaware and Maryland (electricity) Portions of New Castle County, Delaware (natural gas)
Atlantic City Electric Company	Purchase and regulated retail sale of electricity Transmission and distribution of electricity to retail customers	Portions of Southern New Jersey

Basis of Presentation

This is a combined quarterly report of all Registrants. The Notes to the Consolidated Financial Statements apply to the Registrants as indicated parenthetically next to each corresponding disclosure. When appropriate, the Registrants are named specifically for their related activities and disclosures. Each of the Registrant's Consolidated Financial Statements includes the accounts of its subsidiaries. All intercompany transactions have been eliminated.

Through its business services subsidiary, BSC, Exelon provides its subsidiaries with a variety of support services at cost, including legal, human resources, financial, information technology, and supply management services. PHI also has a business services subsidiary, PHISCO, which provides a variety of support services at cost, including legal, finance, engineering, customer operations, distribution and transmission planning, asset management, system operations, and power procurement, to PHI operating companies. The costs of BSC and PHISCO are directly charged or allocated to the applicable subsidiaries. The results of Exelon's corporate operations are presented as "Other" in the consolidated financial statements and include intercompany eliminations unless otherwise disclosed.

The accompanying consolidated financial statements as of June 30, 2024 and for the three and six months ended June 30, 2024 and 2023 are unaudited but, in the opinion of each Registrant's management, the Registrants include all adjustments that are considered necessary for a fair statement of the Registrants' respective financial statements in accordance with GAAP. All adjustments are of a normal, recurring nature, except as otherwise disclosed. The December 31, 2023 Consolidated Balance Sheets were derived from audited financial statements. The interim financial statements are to be read in conjunction with prior annual financial statements and notes. Additionally, financial results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the fiscal year ending December 31, 2024. These Combined Notes to Consolidated Financial Statements have been prepared pursuant to the rules and regulations of the SEC for Quarterly Reports on Form 10-Q. Certain information and note disclosures normally included in

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in millions, except per share data, unless otherwise noted)

Note 1 — Significant Accounting Policies

financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations.

New Accounting Standards (All Registrants)

New Accounting Standards Issued and Not Yet Adopted as of June 30, 2024: The following new authoritative accounting guidance issued by the FASB has not yet been adopted and reflected by the Registrants in their consolidated financial statements as of June 30, 2024. Unless otherwise indicated, the Registrants are currently assessing the impacts such guidance may have (which could be material) in their Consolidated Balance Sheets, Consolidated Statements of Operations and Comprehensive Income, Consolidated Statements of Cash Flows and disclosures, as well as the potential to early adopt where applicable. The Registrants have assessed other FASB issuances of new standards which are not listed below given the current expectation that such standards will not significantly impact the Registrants' financial reporting.

Segment Reporting (Issued November 2023). Improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The objective of the revised guidance is to introduce a new requirement to disclose significant segment expenses regularly provided to the CODM, extend certain annual disclosures to interim periods, clarify single reportable segment entities must apply ASC 280 in its entirety, permit more than one measure of segment profit or loss to be reported under certain conditions, and require disclosure of the title and position of the CODM. The standard is effective for annual periods beginning January 1, 2024 and interim periods beginning January 1, 2025, with early adoption permitted. The standard will be applied retrospectively.

Improvement to Income Tax Disclosures (Issued December 2023). Provides additional disclosure requirements related to the effective tax rate reconciliation and income taxes paid. Under the revised guidance for the effective tax reconciliations, entities would be required to disclose: (1) eight specific categories in the effective tax rate reconciliation in both percentages and reporting currency amount, (2) additional information for reconciling items over a certain threshold, (3) explanation of individual reconciling items disclosed, and (4) provide a qualitative description of the state and local jurisdictions that contribute to the majority of the state income tax expense. For each annual period presented, the new standard requires disclosure of the year-to-date amount of income taxes paid (net of refunds received) disaggregated by federal, state, and foreign. It also requires additional disaggregated information on income taxes paid (net of refunds received) to an individual jurisdiction equal to or greater than 5% of total income taxes paid (net of refunds received). The standard is effective January 1, 2025, with early adoption permitted.

2. Regulatory Matters (All Registrants)

As discussed in Note 3 — Regulatory Matters of the 2023 Form 10-K, the Registrants are involved in rate and regulatory proceedings at FERC and their state commissions. The following discusses developments in 2024 and updates to the 2023 Form 10-K.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 2 — Regulatory Matters

Distribution Base Rate Case Proceedings

The following tables show the completed and pending distribution base rate case proceedings in 2024.

Completed Distribution Base Rate Case Proceedings

Registrant/Jurisdiction	Filing Date	Service	Requested Revenue Requirement Increase	Approved Revenue Requirement Increase	Approved ROE	Approval Date	Rate Effective Date
ComEd - Illinois	January 17, 2023	Electric	\$ 1,487	\$ 501	8.905%	December 14, 2023 ^(a)	January 1, 2024
			\$ 838	\$ 810	8.905%	April 18, 2024 ^(b)	May 1, 2024
	April 21, 2023 ^(c)	Electric	\$ 247	\$ 259	8.91%	November 30, 2023	January 1, 2024
BGE - Maryland ^(d)	February 17, 2023	Electric	\$ 313	\$ 179	9.50%	December 14, 2023	January 1, 2024
		Natural Gas	\$ 289	\$ 229	9.45%		
Pepco - Maryland	October 26, 2020 (amended March 31, 2021) ^(e)	Electric	\$ 104	\$ 52	9.55%	June 28, 2021	June 28, 2021
	May 16, 2023 (amended February 23, 2024) ^(f)	Electric	\$ 111	\$ 45	9.50%	June 10, 2024	April 1, 2024
DPL - Maryland ^(g)	May 19, 2022	Electric	\$ 38	\$ 29	9.60%	December 14, 2022	January 1, 2023
DPL - Delaware ^(h)	December 15, 2022 (amended September 29, 2023)	Electric	\$ 39	\$ 28	9.60%	April 18, 2024	July 15, 2023
ACE - New Jersey ⁽ⁱ⁾	February 15, 2023 (amended August 21, 2023)	Electric	\$ 92	\$ 45	9.60%	November 17, 2023	December 1, 2023

(a) Reflects a four-year cumulative multi-year rate plan for January 1, 2024 to December 31, 2027. On December 14, 2023, the ICC approved year-over-year distribution revenue requirement increases in 2024-2027, with an amendatory order on January 10, 2024, of approximately \$451 million effective January 1, 2024, \$14 million effective January 1, 2025, \$6 million effective January 1, 2026, and \$30 million effective January 1, 2027, based on an ROE of 8.905%, an equity ratio of 50%, and year end 2022 rate base. The ICC rejected ComEd's Grid Plan, requiring ComEd to file a revised Grid Plan by March 13, 2024, 90 days after the issuance of the December final order. The ICC also directed that the revised Grid Plan would be reviewed through further formal proceedings in that docket. On January 10, 2024, the ICC granted one portion of ComEd's application for rehearing of the December 14, 2023 final order, and directed that a rehearing process extending no more than 150 days reconsider certain components of the revenue requirements for the test years (2024-2027), absent an approved Grid Plan. On January 10, 2024, ComEd also filed with the Illinois appellate court an appeal of various aspects of the ICC's final order on which rehearing was denied, including the 8.905% ROE and 50% equity ratio and denial of any return on ComEd's pension asset. On March 13, 2024, ComEd filed its revised Grid Plan (Refiled Grid Plan) with supporting testimony and schedules with the ICC. On March 15, 2024, ComEd filed a petition to adjust its MRP to authorize increased rates consistent with the Refiled Grid Plan.

(b) Reflects four-year cumulative increase to the revenue requirement approved on December 14, 2023 and amended on January 10, 2024 of \$810 million for January 1, 2024 to December 31, 2027 resulting from the rehearing on certain components of the rate plan. On February 16, 2024, ComEd filed a revised revenue request for an \$838 million increase in its 2024-2027 revenue requirements based on the ICC's limited scope for rehearing which included the value of the 2023 forecasted year-end rate base. On April 18, 2024, the ICC issued an order on the rehearing filing which increased the revenue requirements previously approved by the ICC in its January 10, 2024, amendatory order by \$150 million in 2024, \$186 million in 2025, \$221 million in 2026 and \$253 million in 2027. ComEd anticipates that the revenue

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 2 — Regulatory Matters

- requirements determined during the rehearing process will be further adjusted upon approval of the Refiled Grid Plan and the pending petition to adjust rates.
- (c) On November 30, 2023, the Delivery Reconciliation Amount for 2022 defined in Rider Delivery Service Pricing Reconciliation (Rider DSPP) was approved. The delivery reconciliation amount allows for the reconciliation of the revenue requirement in effect in the final years in which formula rates are determined and until such time as new rates are established under ConEd's approved MRP. The 2023 filing reconciled the delivery service rates in effect in 2022 with the actual delivery service costs incurred in 2022. The reconciliation revenue requirement provides for a weighted average debt and equity return on distribution rate base of 6.48%, inclusive of an allowed ROE of 8.91%, reflecting the monthly yields on 30-year treasury bonds plus 580 basis points.
 - (d) Reflects a three-year cumulative multi-year plan for January 1, 2024 through December 31, 2026. The MDPSC awarded BGE electric revenue requirement increases of \$41 million, \$113 million, and \$25 million in 2024, 2025, and 2026, respectively, and natural gas revenue requirement increases of \$126 million, \$62 million, and \$41 million in 2024, 2025, and 2026, respectively. Requested revenue requirement increases will be used to recover capital investments designed to increase the resilience of the electric and gas distribution systems and support Maryland's climate and regulatory initiatives. The MDPSC also approved a portion of the requested 2021 and 2022 reconciliation amounts, which will be recovered through separate electric and gas riders between March 2024 through February 2025. As such, the reconciliation amounts are not included in the approved revenue requirement increases. The 2021 reconciliation amounts are \$13 million and \$7 million for electric and gas, respectively, and the 2022 reconciliation amounts are \$39 million and \$15 million for electric and gas, respectively. In April 2024, BGE filed with the MDPSC its request for recovery of the 2023 reconciliation amounts of \$79 million and \$73 million for electric and gas, respectively, with supporting testimony and schedules.
 - (e) Reflects a three-year cumulative multi-year plan for April 1, 2021 through March 31, 2024. The MDPSC awarded Pepco electric incremental revenue requirement increases of \$21 million, \$16 million, and \$15 million, before offsets, for the 12-month periods ending March 31, 2022, 2023, and 2024, respectively. Pepco proposed to utilize certain tax benefits to fully offset the increase through 2023 and partially offset customer rate increases in 2024. However, the MDPSC only utilized the acceleration of refunds for certain tax benefits to fully offset the increases such that customer rates remain unchanged through March 31, 2022. On February 23, 2022, the MDPSC chose to offset 25% of the cumulative revenue requirement increase for the 12-month period ending March 31, 2023. In 2021, the MDPSC deferred a decision on whether to use certain tax benefits to offset the revenue requirement increases for the 12-month period ending March 31, 2024. In December 2022 Pepco proposed that tax benefits not be used to offset the revenue requirement increases for this period. On January 25, 2023, the MDPSC accepted Pepco's recommendations not to use tax benefits to offset revenue requirement increases for the 12-month period ending March 31, 2024.
 - (f) Reflects the amounts requested (before offsets) and awarded for a one-year multi-year plan for April 1, 2024 through March 31, 2025. The MDPSC awarded Pepco an electric incremental revenue requirement increase of \$45 million for the 12-month period ending March 31, 2025. The MDPSC did not adopt the requested revenue requirement increases of \$80 million (before offsets), \$51 million, and \$14 million as filed for 2025, 2026, and the 2027 nine-month extension period, respectively. The order allows for Pepco to perform an annual reconciliation after the 2024 rate year. The MDPSC also approved the requested reconciliation amounts for the 12-month periods ending March 31, 2022, and March 31, 2023, which will be recovered through a rider between August 2024 through March 2026. As such, the reconciliation amounts are not included in the approved revenue requirement increases. The reconciliation amounts are \$1 million, and \$7 million, for the 12-month periods ending March 31, 2022, and March 31, 2023, respectively. In July 2024, Pepco filed its request with the MDPSC for recovery of \$31 million for the 12-month period ended March 31, 2024, with supporting testimony and schedules.
 - (g) Reflects a three-year cumulative multi-year plan for January 1, 2023 through December 31, 2025. The MDPSC awarded DPL electric incremental revenue requirement increases of \$17 million, \$6 million, and \$6 million for 2023, 2024, and 2025, respectively.
 - (h) On April 18, 2024, the DEPSC approved the Significant Storm Expense Rate Rider (Rider SSER) which will allow DPL to recover expenses associated with qualified storms. A qualified storm will be an individual storm for which DPL incurs expenses between \$5 million and \$15 million. The Rider SSER allows DPL to recover significant storm damage expenses for the previous 12-month period over a future 24-month period. For individual storm events for which DPL incurs expenses of more than \$15 million, the future recovery period will be evaluated on a case-by-case basis and the unamortized balance will earn a return at DPL's authorized long-term cost of debt. The Rider SSER will have an annual true-up filing, subject to DEPSC review and approval.
 - (i) Requested and approved increases are before New Jersey sales and use tax. The NUBPU awarded ACE electric revenue requirement increases of \$36 million and \$9 million effective December 1, 2023 and February 1, 2024, respectively.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 2 — Regulatory Matters

Pending Distribution Base Rate Case Proceedings

Registrant/Jurisdiction	Filing Date	Service	Requested Revenue Requirement Increase	Requested ROE	Expected Approval Timing
ComEd - Illinois	March 15, 2024 (amended June 20, 2024)	Electric ^(a)	\$ 682	8.905%	December 2024
	April 26, 2024	Electric ^(b)	\$ 627	9.89%	December 2024
PECO - Pennsylvania	March 28, 2024	Electric ^(c)	\$ 464	10.95%	Fourth quarter of 2024
		Natural Gas	\$ 111	11.15%	
Pepco - District of Columbia ^(d)	April 13, 2023 (amended February 27, 2024)	Electric	\$ 186	10.50%	Fourth quarter of 2024

(a) On March 13, 2024, ComEd filed its Refiled Grid Plan with the ICC and on March 15, 2024, ComEd filed a petition to adjust its multi-year rate plan to be aligned with ComEd's Refiled Grid Plan. The adjusted rate plan incorporates changes in the Refiled Grid Plan, which was updated in ComEd's rebuttal testimony on June 20, 2024, to request a \$682 million increase in revenue requirements over four years above those granted in the ICC's January 10, 2024, amendatory order. The requested year-over-year increases are \$308 million in 2024, \$96 million in 2025, \$135 million in 2026, and \$143 million in 2027. A final order on both the Refiled Grid Plan and the adjusted rate plan petition is expected by December 2024 with new rates effective on or before January 1, 2025.

(b) On April 26, 2024, ComEd filed its proposed Delivery Reconciliation Amount of \$627 million under Rider DSRP which allows for the reconciliation of the revenue requirement in effect. The 2024 filing reconciles those rates with the actual delivery service costs incurred in 2023. The final order is expected by December 2024 and the reconciliation amount will adjust customer rates in 2025.

(c) PECO requested an annual electric revenue requirement increase of \$464 million, which is partially offset by a one-time credit of \$64 million in 2025.

(d) Reflects a three-year cumulative multi-year plan for January 1, 2024 through December 31, 2026 submitted to the DCPSC. Pepco requested total electric revenue requirement increases of \$116 million, \$35 million, and \$35 million in 2024, 2025, and 2026, respectively. Requested revenue requirement increases will be used to recover capital investments designed to advance system-readiness and support the District of Columbia's climate and clean energy goals.

Transmission Formula Rates

The Utility Registrants' transmission rates are each established based on a FERC-approved formula. ComEd, BGE, Pepco, DPL, and ACE are required to file an annual update to the FERC-approved formula on or before May 15, and PECO is required to file on or before May 31, with the resulting rates effective on June 1 of the same year. The annual update for ComEd is based on prior year actual costs and current year projected capital additions (initial year revenue requirement). The update for ComEd also reconciles any differences between the revenue requirement in effect beginning June 1 of the prior year and actual costs incurred for that year (annual reconciliation). The annual update for PECO is based on prior year actual costs and current year projected capital additions, accumulated depreciation and accumulated deferred income taxes. The annual update for BGE, Pepco, DPL, and ACE is based on prior year actual costs and current year projected capital additions, accumulated depreciation, depreciation and amortization expense, and accumulated deferred income taxes. The update for PECO, BGE, Pepco, DPL, and ACE also reconciles any differences between the actual costs and actual revenues for the calendar year (annual reconciliation).

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 2 — Regulatory Matters

For 2024, the following increases/(decreases) were included in the Utility Registrants' electric transmission formula rate updates:

Registrant ^(a)	Initial Revenue Requirement Increase	Annual Reconciliation (Decrease) Increase	Total Revenue Requirement Increase	Allowed Return on Rate Base ^(b)	Allowed ROE ^(c)
ComEd	\$ 32	\$ (12)	\$ 20	8.14 %	11.50 %
PECO	\$ 2	\$ 3	\$ 5	7.45 %	10.35 %
BGE	\$ 42	\$ 13	\$ 53 ^(d)	7.47 %	10.50 %
Peppo	\$ 58	\$ 15	\$ 73	7.62 %	10.50 %
DPL	\$ 7	\$ 17	\$ 24	7.23 %	10.50 %
ACE	\$ 14	\$ 18	\$ 32	7.11 %	10.50 %

(a) All rates are effective June 1, 2024 - May 31, 2025, subject to review by interested parties pursuant to review protocols of each Utility Registrants' tariffs.

(b) Represents the weighted average debt and equity return on transmission rate bases. For PECO, the common equity component of the ratio used to calculate the weighted average debt and equity return on the transmission formula rate base is currently capped at 55.75%.

(c) The rate of return on common equity for each Utility Registrant includes a 50-basis-point incentive adder for being a member of an RTO.

(d) The increase in BGE's transmission revenue requirement includes a \$2 million reduction related to a FERC-approved dedicated facilities charge to recover the costs of providing transmission service to specifically designated load by BGE.

Other State Regulatory Matters

Illinois Regulatory Matters

CEJA (Exelon and ComEd). On September 15, 2021, the Governor of Illinois signed into law CEJA. CEJA includes, among other features, (1) procurement of CMCs from qualifying nuclear-powered generating facilities, (2) a requirement to file a general rate case or a new four-year MRP no later than January 20, 2023 to establish rates effective after ComEd's existing performance-based distribution formula rate sunsets, (3) requirements that ComEd and the ICC initiate and conduct various regulatory proceedings on subjects including ethics, spending, grid investments, and performance metrics.

ComEd Electric Distribution Rates

ComEd filed, and received approval for, its last performance-based electric distribution formula rate update under EIMA in 2022; those rates were in effect throughout 2023.

On February 3, 2022, the ICC approved a tariff that establishes the process under which ComEd reconciled its 2022 and 2023 rate year revenue requirements with actual costs. Those reconciliation amounts are determined using the same process used for prior reconciliations under the performance-based electric distribution formula rate. Using that process, for the rate years 2022 and 2023 ComEd will ultimately collect revenues from customers reflecting each year's actual recoverable costs, year-end rate base, and a weighted average debt and equity return on distribution rate base, with the ROE component based on the annual average of the monthly yields of the 30-year U.S. Treasury bonds plus 580 basis points. In April 2023, ComEd filed its first petition with the ICC to reconcile its 2022 actual costs with the approved revenue requirement that was in effect in 2022; the final order was issued on November 30, 2023, for rates beginning January 2024. On April 26, 2024, ComEd filed with the ICC its 2023 actual costs with the approved revenue requirement that was in effect in 2023; the final order is expected by December 2024, for rates beginning January 2025.

Beginning in 2024, ComEd will recover from retail customers, subject to certain exceptions, the costs it incurs to provide electric delivery services either through its electric distribution rate or other recovery mechanisms authorized by CEJA. On January 17, 2023, ComEd filed a petition with the ICC seeking approval of a MRP for 2024-2027. The MRP supports a multi-year grid plan (Grid Plan), also filed on January 17, covering planned investments on the electric distribution system within ComEd's service area through 2027. Costs incurred during each year of the MRP are subject to ICC review and the plan's revenue requirement for each year will be reconciled with the actual costs that the ICC determines are prudently and reasonably incurred for that year. The reconciliation is subject to adjustment for certain costs, including a limitation on recovery of costs that are more

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 2 — Regulatory Matters

than 105% of certain costs in the previously approved MRP revenue requirement, absent a modification of the rate plan itself. Thus, for example, the rate adjustments necessary to reconcile 2024 revenues to ComEd's actual 2024 costs incurred would take effect in January 2026 after the ICC's review during 2025.

On December 14, 2023, the ICC issued a final order. The ICC rejected ComEd's Grid Plan as non-compliant with certain requirements of CEJA and required ComEd to file a revised Grid Plan by March 13, 2024, 90 days after the issuance of the final order. In the absence of an approved Grid Plan, the ICC set ComEd's forecast revenue requirements for 2024-2027 based on ComEd's approved year-end 2022 rate base. This resulted in a total cumulative revenue requirement increase of \$501 million, a \$986 million total revenue reduction from the requested cumulative revenue requirement increase but remains subject to annual reconciliation in accordance with CEJA. The final order approved the process and formulas associated with the MRP reconciliation mechanisms. The ICC did not approve a previously proposed phase-in of the ICC's approved year-over-year revenue increases, and it also denied ComEd's ability to earn a return on its pension asset.

On December 22, 2023, ComEd filed an application for rehearing on several findings in the final order including the use of the 2022 year-end rate base to establish forecast revenue requirements for 2024-2027, ROE, pension asset return, and capital structure. On January 10, 2024, ComEd's application for rehearing was denied on all issues except for the order's use of the 2022 year-end rate base. On January 31, 2024, the ICC granted ComEd's motion seeking additional clarification on the scope on rehearing, generally accepting ComEd's proposal and confirming that the rehearing will determine if the forecasted year-end 2023 rate base should be used to set rates for 2024 through 2027 until a refiled Grid Plan is approved. On April 18, 2024, the ICC issued its final order on rehearing and approved increased revenue requirements for 2024-2027.

On January 10, 2024, ComEd also filed an appeal in the Illinois Appellate Court of the issues on which rehearing was denied, including but not limited to the allowed ROE and denial of a return on ComEd's pension asset. There is no deadline by when the appellate court must rule. On March 7, 2024, the ICC adopted an interim order on scheduling, which confirmed that it intends to issue a final order on ComEd's Refiled Grid Plan by the end of 2024 and that it will implement rates that will go into effect January 1, 2025, inclusive of a Grid Plan. On March 13, 2024, ComEd filed its Refiled Grid Plan with supporting testimony and schedules with the ICC. The Refiled Grid Plan is designed to meet or exceed every requirement identified by the ICC in its December order that rejected ComEd's initial Grid Plan. On March 15, 2024, ComEd filed a petition to adjust its MRP to authorize increased rates consistent with the Refiled Grid Plan. Staff and Intervenor direct testimony was filed in May 2024. ComEd filed rebuttal and surrebuttal testimony in June and July, respectively, which provided, among other things, defense of its Refiled Grid Plan capital investments. Evidentiary hearings are scheduled for mid-August. ComEd has completed and placed in service additional utility plant assets in 2023 and 2024 and will continue to complete and place in service additional utility plant assets prior to the approval of the new Grid Plan. There are still significant unknowns, but ComEd does not currently believe that it is probable that the initially uncollected depreciation or return on the recently completed plant will ultimately be disallowed.

In January 2022, ComEd filed a request with the ICC proposing performance metrics that would be used in determining ROE incentives and penalties in the event ComEd filed a MRP in January 2023. On September 27, 2022, the ICC issued a final order approving seven performance metrics that provide symmetrical performance adjustments of 32 total basis points to ComEd's rate of return on common equity based on the extent to which ComEd achieves the annual performance goals. On November 10, 2022, the ICC granted ComEd's application for rehearing, in part. On April 5, 2023, the ICC issued its final order on rehearing for the performance and tracking metrics proceeding, in which the ICC declined to adopt ComEd's proposed modifications to the reliability and peak load reduction performance metrics. Efforts are underway to implement the performance metrics, which took effect on January 1, 2024. ComEd will make its initial filing in 2025 to assess performance achieved under the metrics in 2024, and to determine any ROE adjustment, which would take effect in 2026.

Carbon Mitigation Credit

CEJA establishes decarbonization requirements for Illinois as well as programs to support the retention and development of emissions-free sources of electricity. ComEd is required to purchase CMCs from participating nuclear-powered generating facilities between June 1, 2022 and May 31, 2027. The price to be paid for each CMC was established through a competitive bidding process that included consumer-protection measures that capped the maximum acceptable bid amount and a formula that reduces CMC prices by an energy price index, the base residual auction capacity price in the ComEd zone of PJM, and the monetized value of any federal tax credit or other subsidy if applicable. The consumer protection measures contained in CEJA will result in net

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 2 — Regulatory Matters

payments to ComEd ratepayers if the energy index, the capacity price and applicable federal tax credits or subsidy exceed the CMC contract price. Beginning with the June 2022 monthly billing period, ComEd began issuing credits and/or charges to its retail customers under its new CMC rider. A regulatory asset is recorded for the difference between ComEd's costs associated with the procurement of CMCs from participating nuclear-power generating facilities and revenues received from customers. The balance as of June 30, 2024 is \$304 million.

Under CEJA, the costs of procuring CMCs, including carrying costs, are recovered through a rider, the Rider Carbon-Free Resource Adjustment (Rider CFRA). As originally approved by the ICC, Rider CFRA provides for an annual reconciliation and true-up to actual costs incurred or credits received by ComEd to purchase CMCs, with any difference to be credited to or collected from ComEd's retail customers in subsequent periods. The difference between the net payments to (or receivables from) ComEd ratepayers and the credits received by ComEd to purchase CMCs is recorded to Purchased power expense with an offset to the regulatory asset (or regulatory liability). On December 21, 2022, ComEd filed an amendment to Rider CFRA proposing that it recover costs or provide credits faster than the tariff allows, implement monthly reconciliations, and allow ComEd to adjust Rider CFRA rates based not only on anticipated differences but also past payments or credits, and implement monthly reconciliations beginning with the June 2023 delivery period. The ICC approved the proposal on January 19, 2023. In addition, on March 24, 2023, ComEd submitted revisions to Rider CFRA which clarified the methodology for calculating interest to be included in the annual reconciliation associated with the June 2022 through May 2023 delivery year. The ICC approved the proposal on April 20, 2023. On February 2, 2024, ComEd filed a petition with the ICC to initiate the reconciliation proceeding for the costs incurred in connection with the procurement of CMCs during the delivery year beginning June 1, 2022 and extending through May 31, 2023.

Beneficial Electrification Plan

On March 23, 2023, the ICC issued its final order approving the beneficial electrification plan (BE Plan) for ComEd. The ICC rejected ComEd's request to treat a large portion of beneficial electrification costs as a regulatory asset and ordered ComEd to seek cost recovery through the multi-year rate plan filing for 2024 and 2025, and the final formula rate reconciliation docket for 2023, rather than through a separate charge. The order also authorized an overall annual budget of \$77 million per year for the three-year plan period (2023 through 2025), with flexibility to roll forward unused funds to future years within the same plan period. On April 18, 2023, ComEd filed an application for rehearing in the beneficial electrification plan docket. The Chicago Transit Authority and City of Chicago, jointly, and the Office of the Illinois Attorney General (ILAG) also filed applications for rehearing. On April 27, 2023, ICC staff filed a motion for clarification, seeking clarification from the ICC on the precise budget described in the final order. On May 8, 2023, the ICC denied all applications for rehearing, and entered an amendatory order regarding the annual beneficial electrification plan budgets. ComEd has been directed to use good faith efforts to spend \$77 million annually. ComEd subsequently filed its compliance filing in May 2023, detailing project related spending, clarifying the procedure that will be used to seek stakeholder feedback related to beneficial electrification pilot programs, and including the timeline for tariff changes required to implement the programs. ComEd and the ILAG both filed appeals of the ICC's interim order that addressed the permissible scope of utility beneficial electrification programs outside of transportation and the rate impact cap. The ILAG also filed an appeal seeking reversal of portions of the ICC's final decision. The final order partly mooted ComEd's appeal of the interim order and ComEd has decided not to pursue the other issues. As such, ComEd moved to voluntarily dismiss its appeal and the appellate court granted that request. The ILAG consolidated their appeals and filed their opening brief on April 16, 2024. ComEd filed its reply brief on July 30, 2024. Any ruling on the appeals, even a negative ruling removing programs from the BE Plan or lowering the overall budget of the BE Plan, will only impact forward-looking costs.

Energy Efficiency

CEJA extends ComEd's current cumulative annual energy efficiency MWh savings goals through 2040, adds expanded electrification measures to those goals, increases low-income commitments and adds a new performance adjustment to the energy efficiency formula rate. ComEd expects its annual spend to increase in 2023 through 2040 to achieve these energy efficiency MWh savings goals, which will be deferred as a separate regulatory asset that will be recovered through the energy efficiency formula rate over the weighted average useful life, as approved by the ICC, of the related energy efficiency measures.

Energy Efficiency Formula Rate (Exelon and ComEd). ComEd filed its annual energy efficiency formula rate update with the ICC on May 30, 2024. The filing establishes the revenue requirement used to set the rates that

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 2 — Regulatory Matters

will take effect in January 2025 after the ICC's review and approval. The requested revenue requirement update is based on a reconciliation of the 2023 actual costs plus projected 2025 expenditures.

Initial Revenue Requirement Increase	Annual Reconciliation Decrease	Total Revenue Requirement Increase	Requested Return on Rate Base ^(a)	Requested ROE
\$ 66	\$ (8)	\$ 58	7.02 %	9.89 %

(a) The requested revenue requirement increase provides for a weighted average debt and equity return on the energy efficiency regulatory asset and rate base of 7.02% inclusive of an allowed ROE of 9.89%, reflecting the monthly average yields for 30-year treasury bonds plus 580 basis points. For the 2023 reconciliation year, the requested revenue requirement provides for a weighted average debt and equity return on the energy efficiency regulatory asset and rate base of 7.25% inclusive of an allowed ROE of 10.34%, which includes an upward performance adjustment that increased the ROE. The performance adjustment can either increase or decrease the ROE based upon the achievement of energy efficiency savings goals.

New Jersey Regulatory Matters

Termination of Energy Procurement Provisions of PPAs (Exelon, PHI, and ACE). On December 22, 2021, ACE filed with the NJBPU a petition to terminate the provisions in the PPAs to purchase electricity from two coal-powered generation facilities located in the state of New Jersey. The petition was approved by the NJBPU on March 23, 2022. Upon closing of the transaction on March 31, 2022, ACE recognized a liability of \$203 million for the contract termination fee, which is to be paid by the end of 2024, and recognized a corresponding regulatory asset of \$203 million.

As of June 30, 2024, the \$20 million liability for the contract termination fee is included in Other current liabilities in Exelon's Consolidated Balance Sheet and PPA termination obligation in PHI's and ACE's Consolidated Balance Sheets. For the six months ended June 30, 2024 and 2023, ACE has respectively paid \$30 million and \$43 million of the liability, which is recorded in Changes in Other assets and liabilities in Exelon's, PHI's, and ACE's Consolidated Statements of Cash Flows.

Other Federal Regulatory Matters

FERC Audit (Exelon and ComEd). The Utility Registrants are subject to periodic audits and investigations by FERC. FERC's Division of Audits and Accounting initiated a nonpublic audit of ComEd in April 2021 evaluating ComEd's compliance with (1) approved terms, rates and conditions of its federally regulated service; (2) accounting requirements of the Uniform System of Accounts; (3) reporting requirements of the FERC Form 1; and (4) the requirements for record retention. The audit period extends back to January 1, 2017.

On July 27, 2023, FERC issued a final audit report which included, among other things, findings and recommendations related to ComEd's methodology regarding the allocation of certain overhead costs to capitalized construction costs under FERC regulations, including a suggestion that refunds may be due to customers for amounts collected in previous years. On August 28, 2023, ComEd filed a formal notice of the issues it will contest. On December 14, 2023, FERC appointed a settlement judge for the contested overhead allocation findings and set the matter for a trial-type hearing. That hearing process has been held in abeyance while a formal settlement process, which began in February 2024, takes place.

On July 30, 2024, ComEd reached an agreement in principle on the contested overhead allocation finding. As a result of the settlement process, ComEd recorded a charge for the probable disallowance of \$70 million of certain currently capitalized construction costs to operating expenses, which are not expected to be recovered in future rates. The final settlement is subject to FERC approval. The existing estimates of loss have been updated and reflected in Exelon and ComEd financial statements as of June 30, 2024.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 2 — Regulatory Matters

Regulatory Assets and Liabilities

The Utility Registrants' regulatory assets and liabilities have not changed materially since December 31, 2023, unless noted below. See Note 3 — Regulatory Matters of the 2023 Form 10-K for additional information on the specific regulatory assets and liabilities.

ComEd. Regulatory assets decreased \$339 million primarily due to a decrease of \$369 million in the CMC regulatory asset. Regulatory liabilities increased \$802 million primarily due to an increase of \$612 million in the Decommissioning the Regulatory Agreement Units regulatory liability.

PECO. Regulatory assets increased \$56 million primarily due to an increase of \$60 million in the Deferred Income Taxes regulatory asset.

BGE. Regulatory liabilities decreased \$89 million primarily due to a decrease of \$88 million in the Deferred income taxes regulatory liability.

Pepco. Regulatory assets increased \$39 million primarily due to an increase of \$25 million in the Multi-year plan reconciliations regulatory asset and an increase of \$12 million in the Revenue deferral mechanism regulatory asset, as a result of the Pepco Maryland multi-year plan order issued on June 10, 2024. Regulatory liabilities decreased \$27 million primarily due to a decrease of \$26 million in the Deferred income taxes regulatory liability.

ACE. Regulatory liabilities increased \$10 million primarily due to an increase of \$13 million in the Transmission formula rate annual reconciliations regulatory liability.

Capitalized Ratemaking Amounts Not Recognized

The following table presents authorized amounts capitalized for ratemaking purposes related to earnings on shareholders' investment that are not recognized for financial reporting purposes in the Registrants' Consolidated Balance Sheets. These amounts will be recognized as revenues in the related Consolidated Statements of Operations and Comprehensive Income in the periods they are billable to the Utility Registrants' customers. PECO had no related amounts at June 30, 2024 and December 31, 2023.

	Exelon	ComEd ^(a)	BGE ^(b)	PHI	Pepco ^(c)	DPL ^(d)	ACE ^(e)
June 30, 2024	\$ 134	\$ 40	\$ 43	\$ 51	\$ 38	\$ 1	\$ 12
December 31, 2023	110	32	33	45	34	1	10

(a) Reflects ComEd's unrecognized equity returns earned for ratemaking purposes on its electric distribution and energy efficiency formula rate regulatory assets.

(b) BGE's amount capitalized for ratemaking purposes primarily relates to earnings on shareholders' investment on their AMI programs, investments in rate base included in the multi-year plan reconciliations, and revenue decoupling.

(c) Pepco's authorized amounts capitalized for ratemaking purposes relate to earnings on shareholders' investment on AM programs, Energy efficiency and demand response programs, investments in rate base and revenues included in the multi-year plan reconciliations, and a portion of Pepco District of Columbia's revenue decoupling.

(d) DPL's authorized amounts capitalized for ratemaking purposes relate to earnings on shareholders' investment on AM programs and Energy efficiency and demand response programs.

(e) ACE's authorized amounts capitalized for ratemaking purposes primarily relate to earnings on shareholders' investment on AMI programs.

3. Revenue from Contracts with Customers (All Registrants)

The Registrants recognize revenue from contracts with customers to depict the transfer of goods or services to customers at an amount that the entities expect to be entitled to in exchange for those goods or services. The primary sources of revenue include regulated electric and gas tariff sales, distribution, and transmission services.

See Note 4 — Revenue from Contracts with Customers of the 2023 Form 10-K for additional information regarding the primary sources of revenue for the Registrants.

Contract Liabilities

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 3 — Revenue from Contracts with Customers

The Registrants record contract liabilities when consideration is received or due prior to the satisfaction of the performance obligations. The Registrants record contract liabilities in Other current liabilities and Other noncurrent deferred credits and other liabilities in their Consolidated Balance Sheets.

For Pepco, DPL, and ACE these contract liabilities primarily relate to upfront consideration received in the third quarter of 2020 for a collaborative arrangement ("Agreement") with an unrelated owner and manager of communication infrastructure, as well as additional consideration received for the payment option amendment ("Amendment") executed during the fourth quarter of 2023, which is discussed in further detail within Note 4 — Revenue from Contracts with Customers of the 2023 Form 10-K. The contract liability balance attributable to the Agreement and the Amendment is being recognized as Electric operating revenues over a 35 year period and 31 year period, respectively.

The following table provides a rollforward of the contract liabilities reflected in Exelon's, PHI's, Pepco's, DPL's, and ACE's Consolidated Balance Sheets for the three and six months ended June 30, 2024 and 2023. At June 30, 2024 and December 31, 2023, ComEd's, PECO's, and BGE's contract liabilities were immaterial.

	Exelon ^(a)	PHI ^(a)	Pepco ^(a)	DPL	ACE
Balance at December 31, 2023	\$ 133	\$ 133	\$ 107	\$ 13	\$ 13
Revenues recognized	(2)	(2)	(2)	—	—
Balance at March 31, 2024	\$ 131	\$ 131	\$ 105	\$ 13	\$ 13
Revenues recognized	(1)	(1)	(1)	—	—
Balance at June 30, 2024	<u>\$ 130</u>	<u>\$ 130</u>	<u>\$ 104</u>	<u>\$ 13</u>	<u>\$ 13</u>
	Exelon ^(a)	PHI ^(a)	Pepco ^(a)	DPL	ACE
Balance at December 31, 2022	\$ 101	\$ 101	\$ 81	\$ 10	\$ 10
Revenues recognized	(1)	(1)	(1)	—	—
Balance at March 31, 2023	\$ 100	\$ 100	\$ 80	\$ 10	\$ 10
Revenues recognized	(2)	(2)	(2)	—	—
Balance at June 30, 2023	<u>\$ 98</u>	<u>\$ 98</u>	<u>\$ 78</u>	<u>\$ 10</u>	<u>\$ 10</u>

(a) Revenues recognized in the three and six months ended June 30, 2024 and 2023, were included in the contract liabilities at December 31, 2023 and 2022, respectively.

Transaction Price Allocated to Remaining Performance Obligations

The following table shows the amounts of future revenues expected to be recorded in each year for performance obligations that are unsatisfied or partially unsatisfied as of June 30, 2024. This disclosure only includes contracts for which the total consideration is fixed and determinable at contract inception. The average contract term varies by customer type and commodity but ranges from one month to several years.

This disclosure excludes the Utility Registrants' gas and electric tariff sales contracts and transmission revenue contracts as they generally have an original expected duration of one year or less and, therefore, do not contain any future, unsatisfied performance obligations to be included in this disclosure.

Year	Exelon	PHI	Pepco	DPL	ACE
2024	\$ 3	\$ 3	\$ 3	\$ —	\$ —
2025	7	7	5	1	1
2026	6	6	5	1	—
2027	5	5	5	—	—
2028 and thereafter	109	109	86	11	12
Total	<u>\$ 130</u>	<u>\$ 130</u>	<u>\$ 104</u>	<u>\$ 13</u>	<u>\$ 13</u>

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 3 — Revenue from Contracts with Customers

Revenue Disaggregation

The Registrants disaggregate revenue recognized from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. See Note 4 — Segment Information for the presentation of the Registrants' revenue disaggregation.

4. Segment Information (All Registrants)

Operating segments for each of the Registrants are determined based on information used by the CODMs in deciding how to evaluate performance and allocate resources at each of the Registrants.

Exelon has six reportable segments, which include ComEd, PECO, BGE, and PHI's three reportable segments consisting of Pepco, DPL, and ACE. ComEd, PECO, BGE, Pepco, DPL, and ACE each represent a single reportable segment, and as such, no separate segment information is provided for these Registrants. Exelon, ComEd, PECO, BGE, Pepco, DPL, and ACE's CODMs evaluate the performance of and allocate resources to the segments based on net income.

An analysis and reconciliation of the Registrants' reportable segment information to the respective information in the consolidated financial statements for the three and six months ended June 30, 2024 and 2023 is as follows:

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 4 — Segment Information

Three Months Ended June 30, 2024 and 2023

	ComEd	PECO	BGE	PHI	Other ^(a)	Intersegment Eliminations	Exelon
Operating revenues^(b):							
2024							
Electric revenues	\$ 2,079	\$ 797	\$ 782	\$ 1,441	\$ —	\$ (6)	\$ 5,093
Natural gas revenues	—	94	146	28	—	—	268
Shared service and other revenues	—	—	—	2	468	(470)	—
Total operating revenues	<u>\$ 2,079</u>	<u>\$ 891</u>	<u>\$ 928</u>	<u>\$ 1,471</u>	<u>\$ 468</u>	<u>\$ (476)</u>	<u>\$ 5,361</u>
2023							
Electric revenues	\$ 1,901	\$ 719	\$ 672	\$ 1,274	\$ —	\$ (10)	\$ 4,556
Natural gas revenues	—	109	125	29	—	(1)	262
Shared service and other revenues	—	—	—	2	434	(436)	—
Total operating revenues	<u>\$ 1,901</u>	<u>\$ 828</u>	<u>\$ 797</u>	<u>\$ 1,305</u>	<u>\$ 434</u>	<u>\$ (447)</u>	<u>\$ 4,818</u>
Intersegment revenues^(c):							
2024	\$ 2	\$ 2	\$ 2	\$ 2	\$ 466	\$ (474)	\$ —
2023	2	2	2	2	432	(440)	—
Depreciation and amortization:							
2024	\$ 374	\$ 107	\$ 162	\$ 235	\$ 16	\$ —	\$ 894
2023	350	99	158	243	16	—	866
Operating expenses:							
2024	\$ 1,680	\$ 752	\$ 835	\$ 1,204	\$ 471	\$ (487)	\$ 4,455
2023	1,478	687	704	1,126	561	(442)	4,114
Interest expense, net:							
2024	\$ 123	\$ 57	\$ 53	\$ 92	\$ 158	\$ —	\$ 483
2023	120	48	44	81	134	—	427
Income Taxes:							
2024	\$ 31	\$ 3	\$ 4	\$ 46	\$ (38)	\$ —	\$ 46
2023	71	2	12	20	(32)	—	73
Net income (loss):							
2024	\$ 270	\$ 90	\$ 44	\$ 158	\$ (114)	\$ —	\$ 448
2023	249	97	42	103	(142)	(6)	343
Capital Expenditures:							
2024	\$ 517	\$ 382	\$ 344	\$ 450	\$ 6	\$ —	\$ 1,699
2023	645	372	306	461	20	—	1,804

(a) Other primarily includes Exelon's corporate operations, shared service entities, and other financing and investment activities.

(b) Includes gross utility tax receipts from customers. The offsetting remittance of utility taxes to the governing bodies is recorded in Taxes other than income taxes in the Registrants' Consolidated Statements of Operations and Comprehensive Income. See Note 14 — Supplemental Financial Information for additional information on total utility taxes.

(c) See Note 15 — Related Party Transactions for additional information on intersegment revenues.

PHI:

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 4 — Segment Information

	Pepco	DPL	ACE	Other ^(a)	Intersegment Eliminations	PHI
Operating revenues^(b):						
2024						
Electric revenues	\$ 700	\$ 362	\$ 383	\$ —	\$ (4)	\$ 1,441
Natural gas revenues	—	28	—	—	—	28
Shared service and other revenues	—	—	—	115	(113)	2
Total operating revenues	<u>\$ 700</u>	<u>\$ 390</u>	<u>\$ 383</u>	<u>\$ 115</u>	<u>\$ (117)</u>	<u>\$ 1,471</u>
2023						
Electric revenues	\$ 642	\$ 320	\$ 317	\$ —	\$ (5)	\$ 1,274
Natural gas revenues	—	29	—	—	—	29
Shared service and other revenues	—	—	—	105	(103)	2
Total operating revenues	<u>\$ 642</u>	<u>\$ 349</u>	<u>\$ 317</u>	<u>\$ 105</u>	<u>\$ (108)</u>	<u>\$ 1,305</u>
Intersegment revenues^(c):						
2024	\$ 2	\$ 1	\$ 1	\$ 115	\$ (117)	\$ 2
2023	2	2	1	104	(107)	2
Depreciation and amortization:						
2024	\$ 98	\$ 61	\$ 72	\$ 4	\$ —	\$ 235
2023	109	60	68	6	—	243
Operating expenses:						
2024	\$ 534	\$ 332	\$ 338	\$ 117	\$ (117)	\$ 1,204
2023	541	305	280	108	(108)	1,126
Interest expense, net:						
2024	\$ 46	\$ 24	\$ 20	\$ 2	\$ —	\$ 92
2023	43	18	17	3	—	81
Income Taxes:						
2024	\$ 28	\$ 8	\$ 8	\$ 2	\$ —	\$ 46
2023	10	5	6	(1)	—	20
Net income (loss):						
2024	\$ 108	\$ 34	\$ 21	\$ (5)	\$ —	\$ 158
2023	64	25	18	(5)	1	103
Capital Expenditures:						
2024	\$ 225	\$ 134	\$ 91	\$ —	\$ —	\$ 450
2023	219	124	114	4	—	461

(a) Other primarily includes PHI's corporate operations, shared service entities, and other financing and investment activities.

(b) Includes gross utility tax receipts from customers. The offsetting remittance of utility taxes to the governing bodies is recorded in Taxes other than income taxes in the Registrants' Consolidated Statements of Operations and Comprehensive Income. See Note 14 — Supplemental Financial Information for additional information on total utility taxes.

(c) Includes intersegment revenues with ComEd, PECO, and BGE, which are eliminated at Exelon.

Electric and Gas Revenue by Customer Class (Utility Registrants):

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 4 — Segment Information

The following tables disaggregate the Registrants' revenues recognized from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. For the Utility Registrants, the disaggregation of revenues reflects the two primary utility services of electric sales and natural gas sales (where applicable), with further disaggregation of these tariff sales provided by major customer groups. Exelon's disaggregated revenues are consistent with the Utility Registrants, but exclude any intercompany revenues.

Revenues from contracts with customers	Three Months Ended June 30, 2024						
	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Electric revenues							
Residential	\$ 982	\$ 522	\$ 464	\$ 746	\$ 315	\$ 202	\$ 229
Small commercial & industrial	560	128	88	158	43	60	55
Large commercial & industrial	269	61	139	329	251	31	47
Public authorities & electric railroads	14	7	8	16	7	4	5
Other ^(a)	298	75	101	205	75	64	68
Total electric revenues ^(b)	\$ 2,123	\$ 793	\$ 800	\$ 1,454	\$ 691	\$ 361	\$ 404
Natural gas revenues							
Residential	\$ —	\$ 63	\$ 89	\$ 15	\$ —	\$ 15	\$ —
Small commercial & industrial	—	25	17	7	—	7	—
Large commercial & industrial	—	—	40	1	—	1	—
Transportation	—	5	—	4	—	4	—
Other ^(c)	—	—	4	1	—	1	—
Total natural gas revenues ^(d)	\$ —	\$ 93	\$ 150	\$ 28	\$ —	\$ 28	\$ —
Total revenues from contracts with customers	\$ 2,123	\$ 886	\$ 950	\$ 1,482	\$ 691	\$ 389	\$ 404
Other revenues							
Revenues from alternative revenue programs	\$ (43)	\$ —	\$ (23)	\$ (14)	\$ 7	\$ —	\$ (21)
Other electric revenues ^(e)	(1)	4	1	3	2	1	—
Other natural gas revenues ^(e)	—	1	—	—	—	—	—
Total other revenues	\$ (44)	\$ 5	\$ (22)	\$ (11)	\$ 9	\$ 1	\$ (21)
Total revenues for reportable segments	\$ 2,079	\$ 891	\$ 928	\$ 1,471	\$ 700	\$ 390	\$ 383

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 4 — Segment Information

Revenues from contracts with customers	Three Months Ended June 30, 2023						
	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Electric revenues							
Residential	\$ 861	\$ 444	\$ 363	\$ 583	\$ 267	\$ 161	\$ 155
Small commercial & industrial	461	132	75	144	41	57	46
Large commercial & industrial	205	64	119	337	254	33	50
Public authorities & electric railroads	13	8	7	15	7	4	4
Other ^(a)	234	71	103	185	64	61	63
Total electric revenues ^(b)	\$ 1,774	\$ 719	\$ 667	\$ 1,264	\$ 633	\$ 316	\$ 318
Natural gas revenues							
Residential	\$ —	\$ 69	\$ 71	\$ 16	\$ —	\$ 16	\$ —
Small commercial & industrial	—	32	15	7	—	7	—
Large commercial & industrial	—	—	30	1	—	1	—
Transportation	—	5	—	4	—	4	—
Other ^(c)	—	2	5	1	—	1	—
Total natural gas revenues ^(d)	\$ —	\$ 108	\$ 121	\$ 29	\$ —	\$ 29	\$ —
Total revenues from contracts with customers	\$ 1,774	\$ 827	\$ 788	\$ 1,293	\$ 633	\$ 345	\$ 318
Other revenues							
Revenues from alternative revenue programs	\$ 118	\$ (5)	\$ 4	\$ 9	\$ 7	\$ 3	\$ (1)
Other electric revenues ^(e)	9	5	4	3	2	1	—
Other natural gas revenues ^(e)	—	1	1	—	—	—	—
Total other revenues	\$ 127	\$ 1	\$ 9	\$ 12	\$ 9	\$ 4	\$ (1)
Total revenues for reportable segments	\$ 1,901	\$ 828	\$ 797	\$ 1,305	\$ 642	\$ 349	\$ 317

(a) Includes revenues from transmission revenue from PJM, wholesale electric revenue and mutual assistance revenue.

(b) Includes operating revenues from affiliates in 2024 and 2023 respectively of:

- \$2 million, \$2 million at ComEd
- \$2 million, \$1 million at PECO
- \$2 million, \$1 million at BGE
- \$2 million, \$2 million at PHI
- \$2 million, \$2 million at Pepco
- \$1 million, \$2 million at DPL
- \$1 million, \$1 million at ACE

(c) Includes revenues from off-system natural gas sales.

(d) Includes operating revenues from affiliates in 2024 and 2023 respectively of:

- less than \$1 million, \$1 million at PECO
- less than \$1 million, \$1 million at BGE

(e) Includes late payment charge revenues.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 4 — Segment Information

Six Months Ended June 30, 2024 and 2023

	ComEd	PECO	BGE	PHI	Other ^(a)	Intersegment Eliminations	Exelon
Operating revenues^(b):							
2024							
Electric revenues	\$ 4,174	\$ 1,577	\$ 1,664	\$ 2,973	\$ —	\$ (11)	\$ 10,377
Natural gas revenues	—	368	561	100	—	(3)	1,026
Shared service and other revenues	—	—	—	4	928	(932)	—
Total operating revenues	<u>\$ 4,174</u>	<u>\$ 1,945</u>	<u>\$ 2,225</u>	<u>\$ 3,077</u>	<u>\$ 928</u>	<u>\$ (946)</u>	<u>\$ 11,403</u>
2023							
Electric revenues	\$ 3,568	\$ 1,514	\$ 1,485	\$ 2,711	\$ —	\$ (14)	\$ 9,264
Natural gas revenues	—	426	568	126	—	(4)	1,116
Shared service and other revenues	—	—	—	4	871	(875)	—
Total operating revenues	<u>\$ 3,568</u>	<u>\$ 1,940</u>	<u>\$ 2,053</u>	<u>\$ 2,841</u>	<u>\$ 871</u>	<u>\$ (893)</u>	<u>\$ 10,380</u>
Intersegment revenues^(c):							
2024	\$ 4	\$ 4	\$ 5	\$ 4	\$ 924	\$ (941)	\$ —
2023	5	4	4	4	867	(884)	—
Depreciation and amortization:							
2024	\$ 737	\$ 210	\$ 312	\$ 481	\$ 33	\$ —	\$ 1,773
2023	688	197	325	484	31	2	1,727
Operating expenses:							
2024	\$ 3,462	\$ 1,603	\$ 1,802	\$ 2,539	\$ 943	\$ (963)	\$ 9,386
2023	2,734	1,590	1,667	2,423	1,046	(889)	8,571
Interest expense, net:							
2024	\$ 246	\$ 112	\$ 103	\$ 183	\$ 308	\$ (2)	\$ 950
2023	237	97	88	157	263	(2)	840
Income taxes:							
2024	\$ 49	\$ 13	\$ 28	\$ 86	\$ (67)	\$ —	\$ 109
2023	142	5	65	54	(60)	—	206
Net income (loss):							
2024	\$ 463	\$ 239	\$ 308	\$ 326	\$ (230)	\$ —	\$ 1,106
2023	489	263	241	258	(235)	(4)	1,012
Capital expenditures:							
2024	\$ 1,111	\$ 743	\$ 668	\$ 903	\$ 41	\$ —	\$ 3,466
2023	1,262	707	656	1,022	38	—	3,685
Total assets:							
June 30, 2024	\$ 44,248	\$ 16,354	\$ 14,945	\$ 27,501	\$ 6,077	\$ (4,012)	\$ 105,113
December 31, 2023	42,827	15,595	14,184	26,903	6,374	(4,337)	101,546

(a) Other primarily includes Exelon's corporate operations, shared service entities, and other financing and investment activities.

(b) Includes gross utility tax receipts from customers. The offsetting remittance of utility taxes to the governing bodies is recorded in Taxes other than income taxes in the Registrants' Consolidated Statements of Operations and Comprehensive Income. See Note 14 — Supplemental Financial Information for additional information on total utility taxes.

(c) See Note 15 — Related Party Transactions for additional information on intersegment revenues.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 4 — Segment Information

PHI:

	Pepco	DPL	ACE	Other ^(a)	Intersegment Eliminations	PHI
Operating revenues^(b):						
2024						
Electric revenues	\$ 1,459	\$ 780	\$ 740	\$ —	\$ (6)	\$ 2,973
Natural gas revenues	—	100	—	—	—	100
Shared service and other revenues	—	—	—	224	(220)	4
Total operating revenues	<u>\$ 1,459</u>	<u>\$ 880</u>	<u>\$ 740</u>	<u>\$ 224</u>	<u>\$ (226)</u>	<u>\$ 3,077</u>
2023						
Electric revenues	\$ 1,351	\$ 697	\$ 670	\$ —	\$ (7)	\$ 2,711
Natural gas revenues	—	126	—	—	—	126
Shared service and other revenues	—	—	—	207	(203)	4
Total operating revenues	<u>\$ 1,351</u>	<u>\$ 823</u>	<u>\$ 670</u>	<u>\$ 207</u>	<u>\$ (210)</u>	<u>\$ 2,841</u>
Intersegment revenues^(c):						
2024	\$ 3	\$ 3	\$ 1	\$ 224	\$ (227)	\$ 4
2023	3	3	1	206	(209)	4
Depreciation and amortization:						
2024	\$ 205	\$ 122	\$ 146	\$ 8	\$ —	\$ 481
2023	216	121	135	12	—	484
Operating expenses:						
2024	\$ 1,174	\$ 723	\$ 641	\$ 228	\$ (227)	\$ 2,539
2023	1,151	693	577	212	(210)	2,423
Interest expense, net:						
2024	\$ 92	\$ 46	\$ 39	\$ 6	\$ —	\$ 183
2023	81	36	34	6	—	157
Income taxes:						
2024	\$ 42	\$ 25	\$ 18	\$ 1	\$ —	\$ 86
2023	22	17	17	(2)	—	54
Net income (loss):						
2024	\$ 183	\$ 101	\$ 50	\$ (8)	\$ —	\$ 326
2023	130	85	51	(8)	—	258
Capital expenditures:						
2024	\$ 454	\$ 268	\$ 180	\$ 1	\$ —	\$ 903
2023	483	258	275	6	—	1,022
Total assets:						
June 30, 2024	\$ 11,542	\$ 6,277	\$ 5,327	\$ 4,764	\$ (409)	\$ 27,501
December 31, 2023	11,194	5,966	5,157	4,627	(41)	26,903

(a) Other primarily includes PHI's corporate operations, shared service entities, and other financing and investment activities.

(b) Includes gross utility tax receipts from customers. The offsetting remittance of utility taxes to the governing bodies is recorded in Taxes other than income taxes in the Registrants' Consolidated Statements of Operations and Comprehensive Income. See Note 14 — Supplemental Financial Information for additional information on total utility taxes.

(c) Includes intersegment revenues with ComEd, PECO, and BGE, which are eliminated at Exelon.

Electric and Gas Revenue by Customer Class (Utility Registrants):

The following tables disaggregate the Registrants' revenues recognized from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. For the Utility Registrants, the disaggregation of revenues reflects the two primary utility services of electric sales and natural gas sales (where applicable), with further disaggregation of these tariff

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 4 — Segment Information

sales provided by major customer groups. Exelon's disaggregated revenues are consistent with the Utility Registrants, but exclude any intercompany revenues.

Revenues from contracts with customers	Six Months Ended June 30, 2024						
	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Electric revenues							
Residential	\$ 1,900	\$ 1,042	\$ 999	\$ 1,521	\$ 659	\$ 458	\$ 404
Small commercial & industrial	1,154	254	178	316	89	122	105
Large commercial & industrial	589	118	271	669	513	60	96
Public authorities & electric railroads	32	14	15	36	18	8	10
Other ^(a)	523	147	194	396	138	126	134
Total electric revenues ^(b)	\$ 4,198	\$ 1,575	\$ 1,657	\$ 2,938	\$ 1,417	\$ 774	\$ 749
Natural gas revenues							
Residential	\$ —	\$ 256	\$ 360	\$ 61	\$ —	\$ 61	\$ —
Small commercial & industrial	—	89	65	24	—	24	—
Large commercial & industrial	—	—	112	3	—	3	—
Transportation	—	13	—	9	—	9	—
Other ^(c)	—	9	8	3	—	3	—
Total natural gas revenues ^(d)	\$ —	\$ 367	\$ 545	\$ 100	\$ —	\$ 100	\$ —
Total revenues from contracts with customers	\$ 4,198	\$ 1,942	\$ 2,202	\$ 3,038	\$ 1,417	\$ 874	\$ 749
Other revenues							
Revenues from alternative revenue programs	\$ (24)	\$ (2)	\$ 19	\$ 32	\$ 37	\$ 4	\$ (9)
Other electric revenues ^(e)	—	4	3	7	5	2	—
Other natural gas revenues ^(e)	—	1	1	—	—	—	—
Total other revenues	\$ (24)	\$ 3	\$ 23	\$ 39	\$ 42	\$ 6	\$ (9)
Total revenues for reportable segments	\$ 4,174	\$ 1,945	\$ 2,225	\$ 3,077	\$ 1,459	\$ 880	\$ 740

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 4 — Segment Information

Revenues from contracts with customers	Six Months Ended June 30, 2023						
	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Electric revenues							
Residential	\$ 1,698	\$ 963	\$ 796	\$ 1,221	\$ 549	\$ 371	\$ 301
Small commercial & industrial	823	267	167	304	80	119	105
Large commercial & industrial	290	129	268	714	535	66	113
Public authorities & electric railroads	22	16	14	33	16	8	9
Other ^(a)	450	139	198	362	120	119	126
Total electric revenues ^(b)	\$ 3,283	\$ 1,514	\$ 1,443	\$ 2,634	\$ 1,300	\$ 683	\$ 654
Natural gas revenues							
Residential	\$ —	\$ 292	\$ 349	\$ 76	\$ —	\$ 76	\$ —
Small commercial & industrial	—	107	56	33	—	33	—
Large commercial & industrial	—	1	100	2	—	2	—
Transportation	—	13	—	8	—	8	—
Other ^(c)	—	11	24	7	—	7	—
Total natural gas revenues ^(d)	\$ —	\$ 424	\$ 529	\$ 126	\$ —	\$ 126	\$ —
Total revenues from contracts with customers	\$ 3,283	\$ 1,938	\$ 1,972	\$ 2,760	\$ 1,300	\$ 809	\$ 654
Other revenues							
Revenues from alternative revenue programs	\$ 270	\$ (10)	\$ 70	\$ 74	\$ 46	\$ 12	\$ 16
Other electric revenues ^(e)	15	10	8	7	5	2	—
Other natural gas revenues ^(e)	—	2	3	—	—	—	—
Total other revenues	\$ 285	\$ 2	\$ 81	\$ 81	\$ 51	\$ 14	\$ 16
Total revenues for reportable segments	\$ 3,568	\$ 1,940	\$ 2,053	\$ 2,841	\$ 1,351	\$ 823	\$ 670

(a) Includes revenues from transmission revenue from PJM, wholesale electric revenue and mutual assistance revenue.

(b) Includes operating revenues from affiliates in 2024 and 2023 respectively of:

- \$4 million, \$5 million at ComEd
- \$3 million, \$3 million at PECO
- \$4 million, \$2 million at BGE
- \$4 million, \$4 million at PHI
- \$3 million, \$3 million at Pepco
- \$3 million, \$3 million at DPL
- \$1 million, \$1 million at ACE

(c) Includes revenues from off-system natural gas sales.

(d) Includes operating revenues from affiliates in 2024 and 2023 respectively of:

- \$1 million, \$1 million at PECO
- \$1 million, \$2 million at BGE

(e) Includes late payment charge revenues.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 5 — Accounts Receivable

5. Accounts Receivable (All Registrants)

Allowance for Credit Losses on Accounts Receivable

The following tables present the rollforward of Allowance for Credit Losses on Customer Accounts Receivable.

	Three Months Ended June 30, 2024							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance at March 31, 2024	\$ 346	\$ 82	\$ 107	\$ 52	\$ 105	\$ 52	\$ 17	\$ 36
Plus: Current period provision (benefit) for expected credit losses ^{(a)(b)(c)}	55	38	11	(1)	7	5	1	1
Less: Write-offs, net of recoveries ^(d)	29	8	6	6	9	4	2	3
Balance at June 30, 2024	<u>\$ 372</u>	<u>\$ 112</u>	<u>\$ 112</u>	<u>\$ 45</u>	<u>\$ 103</u>	<u>\$ 53</u>	<u>\$ 16</u>	<u>\$ 34</u>

	Three Months Ended June 30, 2023							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance at March 31, 2023	\$ 389	\$ 74	\$ 130	\$ 73	\$ 112	\$ 49	\$ 26	\$ 37
Plus: Current period (benefit) provision for expected credit losses	(35)	(1)	(20)	(16)	2	4	(3)	1
Less: Write-offs, net of recoveries	31	6	9	7	9	3	2	4
Balance at June 30, 2023	<u>\$ 323</u>	<u>\$ 67</u>	<u>\$ 101</u>	<u>\$ 50</u>	<u>\$ 105</u>	<u>\$ 50</u>	<u>\$ 21</u>	<u>\$ 34</u>

	Six Months Ended June 30, 2024							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance at December 31, 2023	\$ 317	\$ 69	\$ 95	\$ 46	\$ 107	\$ 52	\$ 19	\$ 36
Plus: Current period provision for expected credit losses ^{(a)(e)}	135	60	34	14	27	18	4	5
Less: Write-offs ^{(f)(g)} , net of recoveries ^(d)	80	17	17	15	31	17	7	7
Balance at June 30, 2024	<u>\$ 372</u>	<u>\$ 112</u>	<u>\$ 112</u>	<u>\$ 45</u>	<u>\$ 103</u>	<u>\$ 53</u>	<u>\$ 16</u>	<u>\$ 34</u>

	Six Months Ended June 30, 2023							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance at December 31, 2022	\$ 327	\$ 59	\$ 105	\$ 54	\$ 109	\$ 47	\$ 21	\$ 41
Plus: Current period provision for expected credit losses	71	21	18	14	18	13	4	1
Less: Write-offs, net of recoveries	75	13	22	18	22	10	4	8
Balance at June 30, 2023	<u>\$ 323</u>	<u>\$ 67</u>	<u>\$ 101</u>	<u>\$ 50</u>	<u>\$ 105</u>	<u>\$ 50</u>	<u>\$ 21</u>	<u>\$ 34</u>

(a) For PECO and ComEd, the increase is primarily a result of increased aging of receivables.

(b) For BGE, the increase is primarily a result of changes in customer risk profile.

(c) For DPL, the increase is primarily a result of increased receivable balances.

(d) Recoveries were not material to the Registrants.

(e) For Pepco and ACE, the increase is primarily a result of increased receivable balances.

(f) For PECO, the decrease is primarily a result of decreased disconnection activities.

(g) For Pepco and DPL, the increase is primarily attributable to unfavorable customer payment behavior.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 5 — Accounts Receivable

The following tables present the rollforward of Allowance for Credit Losses on Other Accounts Receivable.

	Three Months Ended June 30, 2024							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance at March 31, 2024	\$ 96	\$ 19	\$ 13	\$ 7	\$ 57	\$ 35	\$ 8	\$ 14
Plus: Current period provision (benefit) for expected credit losses ^{(a)(b)}	16	11	9	(1)	(3)	(1)	(1)	(1)
Less: Write-offs, net of recoveries ^(c)	4	1	2	1	—	—	—	—
Balance at June 30, 2024	<u>\$ 108</u>	<u>\$ 29</u>	<u>\$ 20</u>	<u>\$ 5</u>	<u>\$ 54</u>	<u>\$ 34</u>	<u>\$ 7</u>	<u>\$ 13</u>

	Three Months Ended June 30, 2023							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance at March 31, 2023	\$ 91	\$ 18	\$ 11	\$ 12	\$ 50	\$ 28	\$ 8	\$ 14
Plus: Current period provision (benefit) for expected credit losses	1	1	(2)	(2)	4	3	1	—
Less: Write-offs, net of recoveries	5	1	1	2	1	—	—	1
Balance at June 30, 2023	<u>\$ 87</u>	<u>\$ 18</u>	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 53</u>	<u>\$ 31</u>	<u>\$ 9</u>	<u>\$ 13</u>

	Six Months Ended June 30, 2024							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance at December 31, 2023	\$ 82	\$ 17	\$ 8	\$ 7	\$ 50	\$ 28	\$ 8	\$ 14
Plus: Current period provision (benefit) for expected credit losses ^(a)	36	14	15	1	6	6	(1)	1
Less: Write-offs, net of recoveries ^(c)	10	2	3	3	2	—	—	2
Balance at June 30, 2024	<u>\$ 108</u>	<u>\$ 29</u>	<u>\$ 20</u>	<u>\$ 5</u>	<u>\$ 54</u>	<u>\$ 34</u>	<u>\$ 7</u>	<u>\$ 13</u>

	Six Months Ended June 30, 2023							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance at December 31, 2022	\$ 82	\$ 17	\$ 9	\$ 10	\$ 46	\$ 25	\$ 7	\$ 14
Plus: Current period provision for expected credit losses	15	3	1	2	9	6	2	1
Less: Write-offs, net of recoveries	10	2	2	4	2	—	—	2
Balance at June 30, 2023	<u>\$ 87</u>	<u>\$ 18</u>	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 53</u>	<u>\$ 31</u>	<u>\$ 9</u>	<u>\$ 13</u>

(a) For PECO and ComEd, the increase is primarily a result of increased aging of receivables.

(b) For Pepco, the decrease is primarily a result of decreased receivable balances.

(c) Recoveries were not material to the Registrants.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 5 — Accounts Receivable

Unbilled Customer Revenue

The following table provides additional information about unbilled customer revenues recorded in the Registrants' Consolidated Balance Sheets at June 30, 2024 and December 31, 2023.

	Unbilled customer revenues ^(a)							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
June 30, 2024	\$ 1,059	\$ 425	\$ 204	\$ 179	\$ 251	\$ 110	\$ 50	\$ 91
December 31, 2023	991	351	185	208	247	109	64	74

(a) Unbilled customer revenues are classified in Customer accounts receivable, net in the Registrants' Consolidated Balance Sheets.

Other Purchases of Customer and Other Accounts Receivables

For the six months ended June 30, 2024 and 2023 the Utility Registrants were required, under separate legislation and regulations in Illinois, Pennsylvania, Maryland, District of Columbia, Delaware, and New Jersey, to purchase certain receivables from alternative retail electric and, as applicable, natural gas suppliers that participated in the utilities' consolidated billing. The following table presents the total receivables purchased.

	Total receivables purchased							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Six months ended June 30, 2024	\$ 1,961	\$ 450	\$ 527	\$ 393	\$ 591	\$ 375	\$ 115	\$ 101
Six months ended June 30, 2023	1,979	445	546	420	568	371	107	90

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 6 — Income Taxes

6. Income Taxes (All Registrants)

Rate Reconciliation

The effective income tax rate from continuing operations varies from the U.S. federal statutory rate principally due to the following:

	Three Months Ended June 30, 2024 ^(a)							
	Exelon	ComEd ^(b)	PECO ^(c)	BGE ^(b)	PHI	Pepco	DPL	ACE
U.S. Federal statutory rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
Increase (decrease) due to:								
State income taxes, net of federal income tax benefit	5.0	7.8	(1.3)	6.4	6.6	6.1	6.2	7.6
Plant basis differences	(3.9)	(0.8)	(13.0)	(1.8)	(0.9)	(1.5)	(0.9)	0.2
Excess deferred tax amortization	(13.2)	(17.4)	(2.3)	(17.5)	(3.8)	(4.8)	(6.6)	(1.6)
Amortization of investment tax credit, including deferred taxes on basis difference	(0.1)	(0.1)	—	—	(0.1)	—	(0.1)	(0.1)
Tax credits	(0.5)	(0.5)	—	(0.5)	(0.4)	(0.4)	(0.3)	(0.2)
Other	1.0	0.3	(1.2)	0.7	0.1	0.2	(0.3)	0.7
Effective income tax rate	9.3 %	10.3 %	3.2 %	8.3 %	22.5 %	20.6 %	19.0 %	27.6 %

	Three Months Ended June 30, 2023 ^(a)							
	Exelon	ComEd	PECO ^(c)	BGE	PHI	Pepco	DPL	ACE
U.S. Federal statutory rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
Increase (decrease) due to:								
State income taxes, net of federal income tax benefit	6.5	7.8	(1.2)	6.8	6.2	5.6	6.3	7.1
Plant basis differences	(4.8)	(0.6)	(15.8)	0.1	(1.6)	(2.6)	(1.1)	—
Excess deferred tax amortization	(7.4)	(5.6)	(2.4)	(5.3)	(8.0)	(9.9)	(9.9)	(2.0)
Amortization of investment tax credit, including deferred taxes on basis difference	(0.1)	(0.1)	—	(0.1)	(0.1)	—	(0.1)	(0.1)
Tax credits	(0.5)	(0.3)	—	(0.4)	(0.9)	(1.1)	(0.4)	(0.3)
Other	2.8	—	0.4	0.1	(0.3)	0.5	0.9	(0.7)
Effective income tax rate	17.5 %	22.2 %	2.0 %	22.2 %	16.3 %	13.5 %	16.7 %	25.0 %

(a) Positive percentages represent income tax expense. Negative percentages represent income tax benefit.

(b) For ComEd, the lower effective tax rate is primarily due to CEJA which resulted in the acceleration of certain income tax benefits. For BGE, the lower effective tax rate is primarily due to the Maryland multi-year plan which resulted in the acceleration of certain income tax benefits.

(c) For PECO, the lower effective tax rate is primarily related to plant basis differences attributable to tax repair deductions.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 6 — Income Taxes

	Six Months Ended June 30, 2024 ^(a)							
	Exelon	ComEd ^(b)	PECO ^(c)	BGE ^(b)	PHI	Pepco	DPL	ACE
U.S. Federal statutory rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
Increase (decrease) due to:								
State income taxes, net of federal income tax benefit	5.8	7.8	(0.9)	6.3	6.5	6.1	6.2	7.4
Plant basis differences	(3.9)	(0.8)	(12.5)	(1.3)	(0.9)	(1.4)	(1.0)	0.1
Excess deferred tax amortization	(14.1)	(18.0)	(2.3)	(17.5)	(5.3)	(6.8)	(5.8)	(1.5)
Amortization of investment tax credit, including deferred taxes on basis difference	(0.1)	(0.1)	—	—	(0.1)	—	(0.1)	(0.1)
Tax credits	(0.5)	(0.5)	—	(0.4)	(0.4)	(0.4)	(0.3)	(0.3)
Other	0.8	0.2	(0.1)	0.2	0.1	0.2	(0.2)	(0.1)
Effective income tax rate	<u>9.0 %</u>	<u>9.6 %</u>	<u>5.2 %</u>	<u>8.3 %</u>	<u>20.9 %</u>	<u>18.7 %</u>	<u>19.8 %</u>	<u>26.5 %</u>

	Six Months Ended June 30, 2023 ^(a)							
	Exelon	ComEd	PECO ^(c)	BGE	PHI	Pepco	DPL	ACE
U.S. Federal statutory rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
Increase (decrease) due to:								
State income taxes, net of federal income tax benefit	6.2	7.8	(1.3)	6.4	6.1	5.5	6.3	6.9
Plant basis differences	(4.3)	(0.4)	(15.4)	(0.6)	(1.7)	(2.6)	(1.0)	(0.6)
Excess deferred tax amortization	(6.7)	(5.6)	(2.4)	(5.4)	(7.4)	(9.1)	(9.2)	(2.0)
Amortization of investment tax credit, including deferred taxes on basis difference	(0.1)	(0.1)	—	(0.1)	(0.1)	—	(0.1)	(0.1)
Tax credits	(0.5)	(0.3)	—	(0.4)	(0.6)	(0.8)	(0.4)	(0.3)
Other	1.3	0.1	—	0.3	—	0.5	0.1	0.1
Effective income tax rate	<u>16.9 %</u>	<u>22.5 %</u>	<u>1.9 %</u>	<u>21.2 %</u>	<u>17.3 %</u>	<u>14.5 %</u>	<u>16.7 %</u>	<u>25.0 %</u>

(a) Positive percentages represent income tax expense. Negative percentages represent income tax benefit.

(b) For ComEd, the lower effective tax rate is primarily due to CEJA which resulted in the acceleration of certain income tax benefits. For BGE, the lower effective tax rate is primarily due to the Maryland multi-year plan which resulted in the acceleration of certain income tax benefits.

(c) For PECO, the lower effective tax rate is primarily related to plant basis differences attributable to tax repair deductions.

Unrecognized Tax Benefits

Exelon, PHI and ACE have the following unrecognized tax benefits at June 30, 2024 and December 31, 2023. ComEd's, PECO's, BGE's, Pepco's, and DPL's amounts are not material.

	Exelon ^(a)		PHI		ACE	
June 30, 2024	\$	95	\$	51	\$	15
December 31, 2023		94		51		15

(a) At June 30, 2024 and December 31, 2023, Exelon's unrecognized tax benefits is inclusive of \$31 million related to Constellation's share of unrecognized tax benefits for periods prior to the separation. Exelon reflected an offsetting receivable of \$31 million in Other deferred debits and other assets in the Consolidated Balance Sheet for these amounts.

Other Tax Matters

Tax Matters Agreement (Exelon)

In connection with the separation, Exelon entered into a TMA with Constellation. The TMA governs the respective rights, responsibilities, and obligations between Exelon and Constellation after the separation with respect to tax.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 6 — Income Taxes

liabilities, refunds and attributes for open tax years that Constellation was part of Exelon's consolidated group for U.S. federal, state, and local tax purposes.

Indemnification for Taxes. As a former subsidiary of Exelon, Constellation has joint and several liability with Exelon to the IRS and certain state jurisdictions relating to the taxable periods prior to the separation. The TMA specifies that Constellation is liable for their share of taxes required to be paid by Exelon with respect to taxable periods prior to the separation to the extent Constellation would have been responsible for such taxes under the existing Exelon tax sharing agreement.

Tax Refunds. The TMA specifies that Constellation is entitled to their share of any future tax refunds claimed by Exelon with respect to taxable periods prior to the separation to the extent that Constellation would have received such tax refunds under the existing Exelon tax sharing agreement.

Tax Attributes. At the date of separation certain tax attributes, primarily pre-closing tax credit carryforwards, that were generated by Constellation were required by law to be allocated to Exelon. The TMA provides that Exelon will reimburse Constellation when those allocated tax credit carryforwards are utilized. As of June 30, 2024, Exelon recorded a payable of \$137 million and \$193 million in Other current liabilities and Other deferred credits and other liabilities, respectively, in the Consolidated Balance Sheet for tax attribute carryforwards that are expected to be utilized and reimbursed to Constellation.

Corporate Alternative Minimum Tax (All Registrants)

On August 16, 2022, the IRA was signed into law and implements a new corporate alternative minimum tax (CAMT) that imposes a 15.0% tax on modified GAAP net income. Corporations are entitled to a tax credit (minimum tax credit) to the extent the CAMT liability exceeds the regular tax liability. This amount can be carried forward indefinitely and used in future years when regular tax exceeds the CAMT.

Beginning in 2023, based on the existing statute, Exelon and each of the Utility Registrants will be subject to and will report the CAMT on a separate Registrant basis in the Consolidated Statements of Operations and Comprehensive Income and the Consolidated Balance Sheets. The deferred tax asset related to the minimum tax credit carryforward will be realized to the extent Exelon's consolidated deferred tax liabilities exceed the minimum tax credit carryforward. Exelon's deferred tax liabilities are expected to exceed the minimum tax credit carryforward for the foreseeable future and thus no valuation allowance is required. Exelon is continuing to assess the financial statement impacts of the IRA and will update estimates based on future guidance issued by the U.S. Treasury.

Allocation of Income Taxes to Regulated Utilities

In Q2 2024, the IRS issued a series of private letter rulings (PLR), to another taxpayer, providing guidance with respect to the application of the tax normalization rules to the allocation of consolidated tax benefits among the members of a consolidated group associated with NOLC for ratemaking purposes. The rulings provide that for ratemaking purposes the tax benefit of NOLC should be reflected on a separate company basis not taking into consideration any payments received for the utilization of losses by other affiliates under a tax sharing agreement.

For the Registrants, the impact of these PLRs could result in a material reduction of the regulatory liability established for EDITs arising from the TCJA corporate tax rate change that are being amortized and flowed through to customers as well as a reduction in the accumulated deferred income taxes that reduce rate base for ratemaking purposes.

A PLR issued to another taxpayer may not be relied on as precedent. However, Management is analyzing this guidance and plans to work collaboratively with Exelon's regulatory commissions to address potential impacts. The Registrants will record the impact, if any, after either obtaining approval from their regulatory commissions or upon receiving their own PLRs from the IRS.

7. Retirement Benefits (All Registrants)

Defined Benefit Pension and OPEB

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 7 — Retirement Benefits

The majority of the 2024 pension benefit cost for the Exelon-sponsored plans is calculated using an expected long-term rate of return on plan assets of 7.00% and a discount rate of 5.19%. The majority of the 2024 OPEB cost is calculated using an expected long-term rate of return on plan assets of 6.50% for funded plans and a discount rate of 5.17%.

During the first quarter of 2024, Exelon received an updated valuation of its pension and OPEB to reflect actual census data as of January 1, 2024. This valuation resulted in an increase to the pension obligation of \$98 million and a decrease to the OPEB obligation of \$1 million. Additionally, AOCI increased by \$ 25 million (after-tax) and regulatory assets and liabilities increased by \$66 million and \$2 million, respectively.

A portion of the net periodic benefit cost for all plans is capitalized within the Consolidated Balance Sheets. The following tables present the components of Exelon's net periodic benefit costs, prior to capitalization, for the three and six months ended June 30, 2024 and 2023.

	Pension Benefits		OPEB	
	Three Months Ended June 30,		Three Months Ended June 30,	
	2024	2023	2024	2023
Components of net periodic benefit cost				
Service cost	\$ 40	\$ 38	\$ 7	\$ 6
Interest cost	141	144	24	26
Expected return on assets	(184)	(188)	(21)	(21)
Amortization of:				
Prior service credit	—	—	(2)	(3)
Actuarial loss (gain)	54	43	—	(1)
Net periodic benefit cost	<u>\$ 51</u>	<u>\$ 37</u>	<u>\$ 8</u>	<u>\$ 7</u>

	Pension Benefits		OPEB	
	Six Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Components of net periodic benefit cost				
Service cost	\$ 82	\$ 77	\$ 14	\$ 12
Interest cost	282	289	48	51
Expected return on assets	(368)	(377)	(42)	(42)
Amortization of:				
Prior service cost (credit)	1	1	(4)	(5)
Actuarial loss (gain)	107	84	—	(1)
Net periodic benefit cost	<u>\$ 104</u>	<u>\$ 74</u>	<u>\$ 16</u>	<u>\$ 15</u>

The amounts below represent the Registrants' allocated pension and OPEB costs. For Exelon, the service cost component is included in Operating and maintenance expense and Property, plant, and equipment, net while the non-service cost components are included in Other, net and Regulatory assets. For the Utility Registrants, which apply multi-employer accounting, the service cost and non-service cost components are included in Operating and maintenance expense and Property, plant, and equipment, net in their consolidated financial statements.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 7 — Retirement Benefits

Pension and OPEB Costs (Benefit)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Exelon	\$ 59	\$ 44	\$ 120	\$ 89
ComEd	19	7	36	13
PECO	—	(4)	—	(7)
BGE	16	14	31	28
PHI	23	25	46	49
Pepco	7	9	16	17
DPL	3	5	7	9
ACE	4	3	7	7

Defined Contribution Savings Plan

The Registrants participate in a 401(k) defined contribution savings plan that is sponsored by Exelon. The plan is qualified under applicable sections of the IRC and allows employees to contribute a portion of their pre-tax and/or after-tax income in accordance with specified guidelines. All Registrants match a percentage of the employee contributions up to certain limits. The following table presents the employer contributions and employer matching contributions to the savings plan for the three and six months ended June 30, 2024 and 2023.

Savings Plan Employer Contributions	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Exelon	\$ 29	\$ 26	\$ 51	\$ 47
ComEd	10	10	20	19
PECO	5	4	8	7
BGE	3	3	6	5
PHI	6	5	8	8
Pepco	1	1	2	2
DPL	1	1	2	2
ACE	1	1	1	1

8. Derivative Financial Instruments (All Registrants)

The Registrants use derivative instruments to manage commodity price risk and interest rate risk related to ongoing business operations. The Registrants do not execute derivatives for speculative or proprietary trading purposes.

Authoritative guidance requires that derivative instruments be recognized as either assets or liabilities at fair value, with changes in fair value of the derivative recognized in earnings immediately. Other accounting treatments are available through special election and designation, provided they meet specific, restrictive criteria both at the time of designation and on an ongoing basis. These alternative permissible accounting treatments include NPNS, cash flow hedges, and fair value hedges. At ComEd, derivative economic hedges related to commodities are recorded at fair value and offset by a corresponding regulatory asset or liability. At Exelon, derivative economic hedges related to interest rates are recorded at fair value and offsets are recorded to Electric operating revenues or Interest expense based on the activity the transaction is economically hedging. For all NPNS derivative instruments, accounts receivable or accounts payable are recorded when derivatives settle and revenue or expense is recognized in earnings as the underlying physical commodity is sold or consumed. At Exelon, derivative hedges that qualify and are designated as cash flow hedges are recorded at fair value and offsets are recorded to AOCI.

ComEd's use of cash collateral is generally unrestricted unless ComEd is downgraded below investment grade. Cash collateral held by PECO, BGE, Pepco, DPL, and ACE must be deposited in an unaffiliated major U.S. commercial bank or foreign bank with a U.S. branch office that meets certain qualifications.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 8 — Derivative Financial Instruments

Commodity Price Risk

The Utility Registrants employ established policies and procedures to manage their risks associated with market fluctuations in commodity prices by entering into physical and financial derivative contracts, which are either determined to be non-derivative or classified as economic hedges. The Utility Registrants procure electric and natural gas supply through a competitive procurement process approved by each of the respective state utility commissions. The Utility Registrants' hedging programs are intended to reduce exposure to energy and natural gas price volatility and have no direct earnings impact as the costs are fully recovered from customers through regulatory-approved recovery mechanisms. The following table provides a summary of the Utility Registrants' primary derivative hedging instruments, listed by commodity and accounting treatment.

Registrant	Commodity	Accounting Treatment	Hedging Instrument
ComEd	Electricity	NPNS	Fixed price contracts based on all requirements in the IPA procurement plans.
	Electricity	Changes in fair value of economic hedge recorded to an offsetting regulatory asset or liability ^(a)	20-year floating-to-fixed energy swap contracts beginning June 2012 based on the renewable energy resource procurement requirements in the Illinois Settlement Legislation of approximately 1.3 million MWhs per year.
PECO	Electricity	NPNS	Fixed price contracts for default supply requirements through full requirements contracts.
	Gas	NPNS	Fixed price contracts to cover about 10% of planned natural gas purchases in support of projected firm sales.
BGE	Electricity	NPNS	Fixed price contracts for all SOS requirements through full requirements contracts.
	Gas	NPNS	Fixed price purchases associated with forecasted gas supply requirements.
Pepeco	Electricity	NPNS	Fixed price contracts for all SOS requirements through full requirements contracts.
DPL	Electricity	NPNS	Fixed price contracts for all SOS requirements through full requirements contracts.
	Gas	NPNS	Fixed and index priced contracts through full requirements contracts.
	Gas	Changes in fair value of economic hedge recorded to an offsetting regulatory asset or liability ^(b)	Exchange traded future contracts for up to 50% of estimated monthly purchase requirements each month, including purchases for storage injections.
ACE	Electricity	NPNS	Fixed price contracts for all BGS requirements through full requirements contracts.

(a) See Note 3 — Regulatory Matters of the 2023 Form 10-K for additional information.

(b) The fair value of the DPL economic hedge is not material at June 30, 2024 and December 31, 2023.

The fair value of derivative economic hedges is presented in Other current assets and current and noncurrent Mark-to-market derivative liabilities in Exelon's and ComEd's Consolidated Balance Sheets.

Interest Rate and Other Risk (Exelon)

Exelon Corporate uses a combination of fixed-rate and variable-rate debt to manage interest rate exposure. Exelon Corporate may utilize interest rate derivatives to lock in rate levels in anticipation of future financings, which are typically designated as cash flow hedges. In addition, Exelon Corporate utilized interest rate swaps to manage interest rate exposure and manage potential fluctuations in Electric operating revenues at the corporate level in consolidation. These interest rate swaps are accounted for as economic hedges. A hypothetical 50 basis point change in the interest rates associated with Exelon's interest rate swaps as of June 30, 2024 would result in an immaterial impact to Exelon's Consolidated Net Income.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 8 — Derivative Financial Instruments

Below is a summary of the interest rate hedge balances at June 30, 2024 and December 31, 2023.

	June 30, 2024		
	Derivatives Designated as Hedging Instruments	Economic Hedges	Total
Other deferred debits (noncurrent assets)	\$ 4	\$ —	\$ 4
Total derivative assets	4	—	4
Mark-to-market derivative liabilities (noncurrent liabilities)	(5)	—	(5)
Total mark-to-market derivative liabilities	(5)	—	(5)
Total mark-to-market derivative net liabilities	\$ (1)	\$ —	\$ (1)

	December 31, 2023		
	Derivatives Designated as Hedging Instruments	Economic Hedges	Total
Other current assets	\$ 11	\$ 1	\$ 12
Total derivative assets	11	1	12
Mark-to-market derivative liabilities (current liabilities)	(24)	(22)	(46)
Total mark-to-market derivative liabilities	(24)	(22)	(46)
Total mark-to-market derivative net liabilities	\$ (13)	\$ (21)	\$ (34)

Cash Flow Hedges (Interest Rate Risk)

For derivative instruments that qualify and are designated as cash flow hedges, the changes in fair value each period are initially recorded in AOCI and reclassified into earnings when the underlying transaction affects earnings.

In February 2024, Exelon terminated the previously issued floating-to-fixed swaps with a total notional of \$1.3 billion upon issuance of \$1.7 billion of debt. See Note 9 – Debt and Credit Agreements for additional information on the debt issuance. Prior to the termination, the 2024 year-to-date AOCI derivative gain was \$33 million (net of tax). The settlements resulted in a cash receipt of \$30 million. The accumulated AOCI gain of \$23 million (net of tax) is being amortized into Interest expense in Exelon's Consolidated Statement of Operations and Comprehensive Income over the 5-year and 10-year terms of the swaps. During the second quarter of 2024, Exelon Corporate entered into \$252 million notional of 5-year maturity floating-to-fixed swaps and \$253 million notional of 10-year maturity floating-to-fixed swaps, for a total notional of \$505 million designated as cash flow hedges. The following table provides the notional amounts outstanding held by Exelon at June 30, 2024 and December 31, 2023.

	June 30, 2024	December 31, 2023
5-year maturity floating-to-fixed swaps	\$ 397	\$ 655
10-year maturity floating-to-fixed swaps	398	655
Total	\$ 795	\$ 1,310

The related AOCI derivative gains for the three and six months ended June 30, 2024 and 2023 were immaterial, respectively. See Note 13 – Changes in Accumulated Other Comprehensive Income (Loss) for additional information.

Economic Hedges (Interest Rate and Other Risk)

Exelon Corporate executes derivative instruments to mitigate exposure to fluctuations in interest rates but for which the fair value or cash flow hedge elections were not made. For derivatives intended to serve as economic hedges, fair value is recorded on the balance sheet and changes in fair value each period are recognized in earnings or as a regulatory asset or liability, if regulatory requirements are met, each period.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 8 — Derivative Financial Instruments

Exelon Corporate entered into floating-to-fixed interest rate cap swaps to manage a portion of interest rate exposure in connection with existing borrowings. As of December 31, 2023, Exelon held \$1,000 million notional of floating-to-fixed interest rate cap swaps, which matured in March 2024. Exelon received payments on the interest rate cap when the floating rate exceeded the fixed rate. Settlements received were immaterial.

Additionally, to manage potential fluctuations in Electric operating revenues related to ComEd's distribution formula rate, Exelon Corporate entered into a total \$4,875 million of notional of 30-year constant maturity treasury interest rate (Corporate 30-year treasury) swaps from 2022 through 2023. The Corporate 30-year treasury swaps matured on December 31, 2023 and Exelon recorded a Mark-to-market liability of \$22 million for the final settlement amount, which was paid in January 2024.

Exelon Corporate recognized the following net pre-tax mark-to-market (losses) which are also recognized in Net fair value changes related to derivatives in Exelon's Consolidated Statements of Cash Flows.

Income Statement Location	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
	Gain (Loss)	Gain (Loss)
Electric operating revenues	\$ —	\$ (6)
Interest expense	—	2
Total	\$ —	\$ (4)

Credit Risk

The Registrants would be exposed to credit-related losses in the event of non-performance by counterparties on executed derivative instruments. The credit exposure of derivative contracts, before collateral, is represented by the fair value of contracts at the reporting date. The Utility Registrants have contracts to procure electric and natural gas supply that provide suppliers with a certain amount of unsecured credit. If the exposure on the supply contract exceeds the amount of unsecured credit, the suppliers may be required to post collateral. The net credit exposure is mitigated primarily by the ability to recover procurement costs through customer rates. The amount of cash collateral received from external counterparties remained relatively consistent as of June 30, 2024 due to stable energy prices. The following table reflects the Registrants' cash collateral held from external counterparties, which is recorded in Other current liabilities on their respective Consolidated Balance Sheets, as of June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Exelon	\$ 161	\$ 148
ComEd	158	146
PECO ^(a)	—	—
BGE	1	1
PHI	3	1
Pepco	1	1
DPL ^(b)	—	—
ACE	2	—

(a) PECO had less than one million in cash collateral held with external parties at June 30, 2024 and December 31, 2023.

(b) DPL had less than one million in cash collateral held with external parties at June 30, 2024 and December 31, 2023.

The Utility Registrants' electric supply procurement contracts do not contain provisions that would require them to post collateral. PECO's, BGE's, and DPL's natural gas procurement contracts contain provisions that could require PECO, BGE, and DPL to post collateral in the form of cash or credit support, which vary by contract and counterparty, with thresholds contingent upon PECO's, BGE's, and DPL's credit rating. As of June 30, 2024, PECO, BGE, and DPL were not required to post collateral for any of these agreements. If PECO, BGE, or DPL lost their investment grade credit rating as of June 30, 2024, they could have been required to post collateral to their counterparties of \$27 million, \$43 million, and \$10 million, respectively.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 9 — Debt and Credit Agreements

9. Debt and Credit Agreements (All Registrants)

Short-Term Borrowings

Exelon Corporate, ComEd, and BGE meet their short-term liquidity requirements primarily through the issuance of commercial paper. PECO meets its short-term liquidity requirements primarily through the issuance of commercial paper and borrowings from the Exelon intercompany money pool. Pepco, DPL, and ACE meet their short-term liquidity requirements primarily through the issuance of commercial paper and borrowings from the PHI intercompany money pool. PHI Corporate meets its short-term liquidity requirements primarily through the issuance of short-term notes and borrowings from the Exelon intercompany money pool. The Registrants may use their respective credit facilities for general corporate purposes, including meeting short-term funding requirements and the issuance of letters of credit.

Commercial Paper

The following table reflects the Registrants' commercial paper programs supported by the revolving credit agreements at June 30, 2024 and December 31, 2023.

Commercial Paper Issuer	Outstanding Commercial Paper at		Average Interest Rate on Commercial Paper Borrowings at	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Exelon ^(a)	\$ 954	\$ 1,624	5.51 %	5.58 %
ComEd	\$ 78	\$ 202	5.41 %	5.53 %
PECO	\$ 260	\$ 165	5.43 %	5.57 %
BGE	\$ —	\$ 336	— %	5.59 %
PHI ^(b)	\$ —	\$ 394	— %	5.60 %
Pepco	\$ —	\$ 132	— %	5.59 %
DPL	\$ —	\$ 63	— %	5.60 %
ACE	\$ —	\$ 199	— %	5.60 %

(a) Exelon Corporate had \$616 million and \$527 million in outstanding commercial paper borrowings at June 30, 2024 and December 31, 2023, respectively.

(b) Represents the consolidated amounts of Pepco, DPL, and ACE.

Revolving Credit Agreements

Exelon Corporate and the Utility Registrants each have a 5-year revolving credit facility. The following table reflects the credit agreements:

Borrower	Aggregate Bank Commitment	Interest Rate
Exelon Corporate	\$ 900	SOFR plus 1.275 %
ComEd	\$ 1,000	SOFR plus 1.000 %
PECO	\$ 600	SOFR plus 0.900 %
BGE	\$ 600	SOFR plus 0.900 %
Pepco	\$ 300	SOFR plus 1.075 %
DPL	\$ 300	SOFR plus 1.000 %
ACE	\$ 300	SOFR plus 1.000 %

Exelon Corporate and the Utility Registrants had no outstanding amounts on the revolving credit facilities as of June 30, 2024.

The Utility Registrants have credit facility agreements, arranged at minority and community banks, which are solely utilized to issue letters of credit. The facility agreements have aggregate commitments of \$40 million, \$40 million, \$15 million, \$15 million, \$15 million, and \$15 million, at ComEd, PECO, BGE, Pepco, DPL, and ACE, respectively. These facilities expire on October 4, 2024.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 9 — Debt and Credit Agreements

See Note 16 — Debt and Credit Agreements of the 2023 Form 10-K for additional information on the Registrants' credit facilities.

Short-Term Loan Agreements

On March 23, 2017, Exelon Corporate entered into a term loan agreement for \$500 million. The loan agreement was renewed in the first quarter of 2024 and was bifurcated into two tranches of \$350 million and \$150 million on March 14, 2024. The agreements will expire on March 14, 2025. Pursuant to the loan agreements, loans made thereunder bear interest at a variable rate equal to SOFR plus 1.05% and all indebtedness thereunder is unsecured. The loan agreement is reflected in Exelon's Consolidated Balance Sheets within Short-term borrowings.

On May 9, 2023, ComEd entered into a 364-day term loan agreement for \$400 million with a variable rate equal to SOFR plus 1.00% and an expiration date of May 7, 2024. On May 1, 2024, ComEd entered into an agreement to extend the loan through the expiration date of June 28, 2024. The original proceeds from the loan were used to repay outstanding commercial paper obligations and for general corporate purposes. The balance of the loan was repaid on May 16, 2024. Refer to the Issuance of Long-term Debt Table below for further information.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 9 — Debt and Credit Agreements

Long-Term Debt

Issuance of Long-Term Debt

During the six months ended June 30, 2024, the following long-term debt was issued:

Company	Type	Interest Rate	Maturity	Amount	Use of Proceeds
Exelon	Notes	5.15%	March 15, 2029	\$650	Repay Exelon SMBC Term Loan, outstanding commercial paper, and for general corporate purposes.
Exelon	Notes	5.45%	March 15, 2034	\$650	Repay Exelon SMBC Term Loan, outstanding commercial paper, and for general corporate purposes.
Exelon	Notes	5.60%	March 15, 2053	\$400	Repay Exelon SMBC Term Loan, outstanding commercial paper, and for general corporate purposes.
ComEd	First Mortgage Bonds	5.30%	June 1, 2034	\$400	Repay existing indebtedness, repay outstanding commercial paper obligations, and to fund other general corporate purposes.
ComEd	First Mortgage Bonds	5.65%	June 1, 2054	\$400	Repay existing indebtedness, repay outstanding commercial paper obligations, and to fund other general corporate purposes.
BGE	Notes	5.30%	June 1, 2034	\$400	Repay outstanding commercial paper obligations and for general corporate purposes
BGE	Notes	5.65%	June 1, 2054	\$400	Repay outstanding commercial paper obligations and for general corporate purposes
Pepco	First Mortgage Bonds	5.20%	March 15, 2034	\$375	Refinance existing indebtedness, refinance outstanding commercial paper obligations, and for general corporate purposes.
Pepco	First Mortgage Bonds	5.50%	March 15, 2054	\$300	Refinance existing indebtedness, refinance outstanding commercial paper obligations, and for general corporate purposes.
DPL	First Mortgage Bonds	5.24%	March 20, 2034	\$100	Repay existing indebtedness and for general corporate purposes.
DPL	First Mortgage Bonds	5.55%	March 20, 2054	\$75	Repay existing indebtedness and for general corporate purposes.
ACE ^(a)	First Mortgage Bonds	5.55%	March 20, 2054	\$75	Repay existing indebtedness and for general corporate purposes.

(a) On March 20, 2024, ACE entered into a purchase agreement of First Mortgage Bonds of \$75 million and \$100 million at 5.29% and 5.49% due on August 28, 2034 and August 28, 2039, respectively. The closing date of the issuance is expected to occur in August 2024.

Debt Covenants

As of June 30, 2024, the Registrants are in compliance with debt covenants.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 10 — Fair Value of Financial Assets and Liabilities

10. Fair Value of Financial Assets and Liabilities (All Registrants)

Exelon measures and classifies fair value measurements in accordance with the hierarchy as defined by GAAP. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities that the Registrants have the ability to liquidate as of the reporting date.
- Level 2 — inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3 — unobservable inputs, such as internally developed pricing models or third-party valuations for the asset or liability due to little or no market activity for the asset or liability.

Exelon's valuation techniques used to measure the fair value of the assets and liabilities shown in the tables below are in accordance with the policies discussed in Note 17 — Fair Value of Financial Assets and Liabilities of the 2023 Form 10-K.

Fair Value of Financial Liabilities Recorded at Amortized Cost

The following tables present the carrying amounts and fair values of the Registrants' short-term liabilities, long-term debt, and trust preferred securities (long-term debt to financing trusts or junior subordinated debentures) as of June 30, 2024 and December 31, 2023. The Registrants have no financial liabilities measured using the NAV practical expedient.

The carrying amounts of the Registrants' short-term liabilities as presented in their Consolidated Balance Sheets are representative of their fair value (Level 2) because of the short-term nature of these instruments.

	June 30, 2024					December 31, 2023				
	Carrying Amount	Fair Value				Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
Long-Term Debt, including amounts due within one year^(a)										
Exelon	\$ 44,347	\$ —	\$ 35,380	\$ 3,559	\$ 38,939	\$ 41,095	\$ —	\$ 33,804	\$ 3,442	\$ 37,246
ComEd	12,276	—	10,530	—	10,530	11,486	—	10,210	—	10,210
PECO	5,135	—	4,289	—	4,289	5,134	—	4,562	—	4,562
BGE	5,394	—	4,693	—	4,693	4,602	—	4,145	—	4,145
PHI	9,148	—	4,288	3,559	7,847	8,648	—	4,160	3,442	7,602
Pepco	4,362	—	2,489	1,545	4,034	4,096	—	2,311	1,600	3,911
DPL	2,254	—	661	1,257	1,918	2,080	—	694	1,134	1,828
ACE	1,909	—	929	757	1,686	1,833	—	939	708	1,647
Long-Term Debt to Financing Trusts										
Exelon	\$ 390	\$ —	\$ —	\$ 390	\$ 390	\$ 390	\$ —	\$ —	\$ 390	\$ 390
ComEd	206	—	—	203	203	205	—	—	208	208
PECO	184	—	—	187	187	184	—	—	182	182

(a) Includes unamortized debt issuance costs, unamortized debt discount and premium net, purchase accounting fair value adjustments, and finance lease liabilities which are not fair valued. Refer to Note 16 — Debt and Credit Agreements of the 2023 Form 10-K for unamortized debt issuance costs, unamortized debt discount and premium net, and purchase accounting fair value adjustments and Note 10 — Leases of the 2023 Form 10-K for finance lease liabilities.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 10 — Fair Value of Financial Assets and Liabilities

Recurring Fair Value Measurements

The following tables present assets and liabilities measured and recorded at fair value in the Registrants' Consolidated Balance Sheets on a recurring basis and their level within the fair value hierarchy at June 30, 2024 and December 31, 2023. Exelon and the Utility Registrants have immaterial and no financial assets or liabilities measured using the NAV practical expedient, respectively.

Exelon

	At June 30, 2024				At December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Cash equivalents ^(a)	\$ 1,226	\$ —	\$ —	\$ 1,226	\$ 618	\$ —	\$ —	\$ 618
Rabbi trust investments								
Cash equivalents	90	—	—	90	67	—	—	67
Mutual funds	59	—	—	59	53	—	—	53
Fixed income	—	7	—	7	—	7	—	7
Life insurance contracts	—	67	23	90	—	61	43	104
Rabbi trust investments subtotal	149	74	23	246	120	68	43	231
Interest rate derivative assets								
Derivatives designated as hedging instruments	—	4	—	4	—	11	—	11
Economic hedges	—	—	—	—	—	1	—	1
Interest rate derivative assets subtotal	—	4	—	4	—	12	—	12
Total assets	1,375	78	23	1,476	738	80	43	861
Liabilities								
Commodity derivative liabilities	—	—	(139)	(139)	—	—	(133)	(133)
Interest rate derivative liabilities								
Derivatives designated as hedging instruments	—	(5)	—	(5)	—	(24)	—	(24)
Economic hedges	—	—	—	—	—	(22)	—	(22)
Interest rate derivative liabilities subtotal	—	(5)	—	(5)	—	(46)	—	(46)
Deferred compensation obligation	—	(69)	—	(69)	—	(75)	—	(75)
Total liabilities	—	(74)	(139)	(213)	—	(121)	(133)	(254)
Total net assets (liabilities)	\$ 1,375	\$ 4	\$ (116)	\$ 1,263	\$ 738	\$ (41)	\$ (90)	\$ 607

(a) Exelon excludes cash of \$151 million and \$334 million at June 30, 2024 and December 31, 2023, respectively, and restricted cash of \$158 million and \$149 million at June 30, 2024 and December 31, 2023, respectively, and includes long-term restricted cash of \$71 million and \$174 million at June 30, 2024 and December 31, 2023, respectively, which is reported in Other deferred debits and other assets in the Consolidated Balance Sheets.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 10 — Fair Value of Financial Assets and Liabilities

ComEd, PECO, and BGE

At June 30, 2024	ComEd				PECO				BGE			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets												
Cash equivalents ^(a)	\$ 634	\$ —	\$ —	\$ 634	\$ 11	\$ —	\$ —	\$ 11	\$ 418	\$ —	\$ —	\$ 418
Rabbi trust investments												
Mutual funds	—	—	—	—	10	—	—	10	9	—	—	9
Life insurance contracts	—	—	—	—	—	19	—	19	—	—	—	—
Rabbi trust investments subtotal	—	—	—	—	10	19	—	29	9	—	—	9
Total assets	634	—	—	634	21	19	—	40	427	—	—	427
Liabilities												
Commodity derivative liabilities ^(b)	—	—	(139)	(139)	—	—	—	—	—	—	—	—
Deferred compensation obligation	—	(8)	—	(8)	—	(7)	—	(7)	—	(4)	—	(4)
Total liabilities	—	(8)	(139)	(147)	—	(7)	—	(7)	—	(4)	—	(4)
Total net assets (liabilities)	\$ 634	\$ (8)	\$ (139)	\$ 487	\$ 21	\$ 12	\$ —	\$ 33	\$ 427	\$ (4)	\$ —	\$ 423
At December 31, 2023	ComEd				PECO				BGE			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets												
Cash equivalents ^(a)	\$ 453	\$ —	\$ —	\$ 453	\$ 9	\$ —	\$ —	\$ 9	\$ —	\$ —	\$ —	\$ —
Rabbi trust investments												
Mutual funds	—	—	—	—	9	—	—	9	9	—	—	9
Life insurance contracts	—	—	—	—	—	18	—	18	—	—	—	—
Rabbi trust investments subtotal	—	—	—	—	9	18	—	27	9	—	—	9
Total assets	453	—	—	453	18	18	—	36	9	—	—	9
Liabilities												
Commodity derivative liabilities ^(b)	—	—	(133)	(133)	—	—	—	—	—	—	—	—
Deferred compensation obligation	—	(8)	—	(8)	—	(8)	—	(8)	—	(4)	—	(4)
Total liabilities	—	(8)	(133)	(141)	—	(8)	—	(8)	—	(4)	—	(4)
Total net assets (liabilities)	\$ 453	\$ (8)	\$ (133)	\$ 312	\$ 18	\$ 10	\$ —	\$ 28	\$ 9	\$ (4)	\$ —	\$ 5

(a) ComEd excludes cash of \$51 million and \$86 million at June 30, 2024 and December 31, 2023, respectively, and restricted cash of \$158 million and \$147 million at June 30, 2024 and December 31, 2023, respectively. Additionally, ComEd includes long-term restricted cash of \$71 million and \$174 million at June 30, 2024 and December 31, 2023, respectively, which is reported in Other deferred debits and other assets in the Consolidated Balance Sheets. PECO excludes cash of \$17 million and \$42 million at June 30, 2024 and December 31, 2023, respectively. BGE excludes cash

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 10 — Fair Value of Financial Assets and Liabilities

of \$10 million and \$47 million at June 30, 2024 and December 31, 2023, respectively, and restricted cash of zero and \$1 million at June 30, 2024 and December 31, 2023, respectively.

- (b) The Level 3 balance consists of the current and noncurrent liability of \$23 million and \$116 million, respectively, at June 30, 2024 and \$27 million and \$106 million, respectively, at December 31, 2023 related to floating-to-fixed energy swap contracts with unaffiliated suppliers.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 10 — Fair Value of Financial Assets and Liabilities

PHI, Pepco, DPL, and ACE

PHI	At June 30, 2024				At December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Cash equivalents ^(a)	\$ 97	\$ —	\$ —	\$ 97	\$ 107	\$ —	\$ —	\$ 107
Rabbi trust investments								
Cash equivalents	87	—	—	87	64	—	—	64
Mutual funds	10	—	—	10	9	—	—	9
Fixed income	—	7	—	7	—	7	—	7
Life insurance contracts	—	22	22	44	—	21	41	62
Rabbi trust investments subtotal	97	29	22	148	73	28	41	142
Total assets	194	29	22	245	180	28	41	249
Liabilities								
Deferred compensation obligation	—	(11)	—	(11)	—	(13)	—	(13)
Total liabilities	—	(11)	—	(11)	—	(13)	—	(13)
Total net assets	\$ 194	\$ 18	\$ 22	\$ 234	\$ 180	\$ 15	\$ 41	\$ 236

At June 30, 2024	Pepco				DPL				ACE			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets												
Cash equivalents ^(a)	\$ 21	\$ —	\$ —	\$ 21	\$ 45	\$ —	\$ —	\$ 45	\$ —	\$ —	\$ —	\$ —
Rabbi trust investments												
Cash equivalents	87	—	—	87	—	—	—	—	—	—	—	—
Life insurance contracts	—	22	22	44	—	—	—	—	—	—	—	—
Rabbi trust investments subtotal	87	22	22	131	—	—	—	—	—	—	—	—
Total assets	108	22	22	152	45	—	—	45	—	—	—	—
Liabilities												
Deferred compensation obligation	—	(1)	—	(1)	—	—	—	—	—	—	—	—
Total liabilities	—	(1)	—	(1)	—	—	—	—	—	—	—	—
Total net assets	\$ 108	\$ 21	\$ 22	\$ 151	\$ 45	\$ —	\$ —	\$ 45	\$ —	\$ —	\$ —	\$ —

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 10 — Fair Value of Financial Assets and Liabilities

At December 31, 2023	Pepco				DPL				ACE			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets												
Cash equivalents ^(a)	\$ 23	\$ —	\$ —	\$ 23	\$ 1	\$ —	\$ —	\$ 1	\$ —	\$ —	\$ —	\$ —
Rabbi trust investments												
Cash equivalents	63	—	—	63	—	—	—	—	—	—	—	—
Life insurance contracts	—	21	41	62	—	—	—	—	—	—	—	—
Rabbi trust investments subtotal	63	21	41	125	—	—	—	—	—	—	—	—
Total assets	86	21	41	148	1	—	—	1	—	—	—	—
Liabilities												
Deferred compensation obligation	—	(1)	—	(1)	—	—	—	—	—	—	—	—
Total liabilities	—	(1)	—	(1)	—	—	—	—	—	—	—	—
Total net assets	\$ 86	\$ 20	\$ 41	\$ 147	\$ 1	\$ —	\$ —	\$ 1	\$ —	\$ —	\$ —	\$ —

(a) PHI excludes cash of \$44 million and \$96 million at June 30, 2024 and December 31, 2023, respectively, and restricted cash of zero and \$1 million at June 30, 2024 and December 31, 2023, respectively. Pepco excludes cash of \$19 million and \$48 million at June 30, 2024 and December 31, 2023, respectively, and restricted cash of zero and \$1 million at June 30, 2024 and December 31, 2023, respectively. DPL excludes cash of \$6 million and \$15 million at June 30, 2024 and December 31, 2023, respectively. ACE excludes cash of \$15 million and \$21 million at June 30, 2024 and December 31, 2023, respectively.

Reconciliation of Level 3 Assets and Liabilities

The following tables present the fair value reconciliation of Level 3 assets and liabilities measured at fair value on a recurring basis during the three and six months ended June 30, 2024 and 2023:

	Exelon	ComEd	PHI and Pepco
	Total	Commodity Derivatives	Life Insurance Contracts
Three Months Ended June 30, 2024			
Balance at March 31, 2024	\$ (65)	\$ (108)	\$ 41
Total realized / unrealized gains (losses)			
Included in net income ^(a)	1	—	2
Included in regulatory assets/liabilities	(31)	(31) ^(b)	—
Purchases, sales, and settlements			
Settlements	(21)	—	(21)
Balance at June 30, 2024	<u>\$ (116)</u>	<u>\$ (139)^(c)</u>	<u>\$ 22</u>
The amount of total gains included in income attributed to the change in unrealized gains related to assets and liabilities at June 30, 2024	\$ 2	\$ —	\$ 2

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 10 — Fair Value of Financial Assets and Liabilities

	<u>Exelon</u>	<u>ComEd</u>	<u>PHI and Pepco</u>
	<u>Total</u>	<u>Commodity Derivatives</u>	<u>Life Insurance Contracts</u>
Three Months Ended June 30, 2023			
Balance at March 31, 2023	\$ (57)	\$ (98)	\$ 41
Total realized / unrealized gains (losses)			
Included in net income ^(a)	1	—	1
Included in regulatory assets/liabilities	(35)	(35) ^(b)	—
Balance at June 30, 2023	\$ (91)	\$ (133)	\$ 42
The amount of total gains included in income attributed to the change in unrealized gains related to assets and liabilities at June 30, 2023	\$ 1	\$ —	\$ 1
	<u>Exelon</u>	<u>ComEd</u>	<u>PHI and Pepco</u>
	<u>Total</u>	<u>Commodity Derivatives</u>	<u>Life Insurance Contracts</u>
Six Months Ended June 30, 2024			
Balance at December 31, 2023	\$ (90)	\$ (133)	\$ 41
Total realized / unrealized gains (losses)			
Included in net income ^(a)	1	—	2
Included in regulatory assets/liabilities	(6)	(6) ^(b)	—
Purchases, sales, and settlements			
Settlements	(21)	—	(21)
Balance at June 30, 2024	\$ (116)	\$ (139) ^(c)	\$ 22
The amount of total gains included in income attributed to the change in unrealized gains related to assets and liabilities at June 30, 2024	\$ 2	\$ —	\$ 2
	<u>Exelon</u>	<u>ComEd</u>	<u>PHI and Pepco</u>
	<u>Total</u>	<u>Commodity Derivatives</u>	<u>Life Insurance Contracts</u>
Six Months Ended June 30, 2023			
Balance at December 31, 2022	\$ (44)	\$ (84)	\$ 40
Total realized / unrealized gains (losses)			
Included in net income ^(a)	2	—	2
Included in regulatory assets/liabilities	(49)	(49) ^(b)	—
Balance at June 30, 2023	\$ (91)	\$ (133)	\$ 42
The amount of total gains included in income attributed to the change in unrealized gain related to assets and liabilities at June 30, 2023	\$ 2	\$ —	\$ 2

(a) Classified in Operating and maintenance expense in the Consolidated Statements of Operations and Comprehensive Income.

(b) Includes \$43 million of decreases in fair value and an increase for realized gains due to settlements of \$12 million recorded in Purchased power expense associated with floating-to-fixed energy swap contracts with unaffiliated suppliers for the three months ended June 30, 2024. Includes \$43 million of decreases in fair value and an increase for realized gains due to settlements of \$8 million recorded in Purchased power expense associated with floating-to-fixed energy swap contracts with unaffiliated suppliers for the three months ended June 30, 2023. Includes \$30 million of decreases in fair value and an increase for realized gains due to settlements of \$24 million recorded in Purchased power expense associated with floating-to-fixed energy swap contracts with unaffiliated suppliers for the six months ended June 30, 2024. Includes \$68 million of decreases in fair value and an increase for realized losses due to settlements of \$19 million recorded in Purchased power expense associated with floating-to-fixed energy swap contracts with unaffiliated suppliers for the six months ended June 30, 2023.

(c) The balance of the current and noncurrent asset was effectively zero as of June 30, 2024. The balance consists of a current and noncurrent liability of \$23 million and \$116 million, respectively, as of June 30, 2024.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 10 — Fair Value of Financial Assets and Liabilities

Commodity Derivatives (Exelon and ComEd)

The table below discloses the significant unobservable inputs to the forward curve used to value mark-to-market derivatives.

Type of trade	Fair Value at June 30, 2024	Fair Value at December 31, 2023	Valuation Technique	Unobservable Input	2024 Range & Arithmetic Average			2023 Range & Arithmetic Average		
Commodity derivatives	\$ (139)	\$ (133)	Discounted Cash Flow	Forward power price ^(a)	\$22.68	-	\$58.69	\$40.49	\$30.27	- \$73.71 \$43.35

(a) An increase to the forward power price would increase the fair value.

11. Commitments and Contingencies (All Registrants)

The following is an update to the current status of commitments and contingencies set forth in Note 18 — Commitments and Contingencies of the 2023 Form 10-K.

Commitments

PHI Merger Commitments (Exelon, PHI, Pepco, DPL, and ACE). Approval of the PHI Merger in Delaware, New Jersey, Maryland, and the District of Columbia was conditioned upon Exelon and PHI agreeing to certain commitments. The following amounts represent total commitment costs that have been recorded since the acquisition date and the total remaining obligations for Exelon, PHI, Pepco, DPL, and ACE at June 30, 2024:

Description	Exelon	PHI	Pepco	DPL	ACE
Total commitments	\$ 513	\$ 320	\$ 120	\$ 89	\$ 111
Remaining commitments ^(a)	31	28	25	2	1

(a) Remaining commitments extend through 2026 and include escrow funds, charitable contributions, and rate credits.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 11 — Commitments and Contingencies

Commercial Commitments (All Registrants). The Registrants' commercial commitments at June 30, 2024, representing commitments potentially triggered by future events were as follows:

		Expiration within						
	Total	2024	2025	2026	2027	2028	2029 and beyond	
Exelon								
Letters of credit ^(a)	\$ 30	\$ 17	\$ 13	\$ —	\$ —	\$ —	\$ —	
Surety bonds ^(b)	194	160	32	—	2	—	—	
Financing trust guarantees ^(c)	378	—	—	—	—	78	300	
Guaranteed lease residual values ^(d)	26	—	3	5	4	6	8	
Total commercial commitments	<u>\$ 628</u>	<u>\$ 177</u>	<u>\$ 48</u>	<u>\$ 5</u>	<u>\$ 6</u>	<u>\$ 84</u>	<u>\$ 308</u>	
ComEd								
Letters of credit ^(a)	\$ 17	\$ 9	\$ 8	\$ —	\$ —	\$ —	\$ —	
Surety bonds ^(b)	36	29	5	—	2	—	—	
Financing trust guarantees ^(c)	200	—	—	—	—	—	200	
Total commercial commitments	<u>\$ 253</u>	<u>\$ 38</u>	<u>\$ 13</u>	<u>\$ —</u>	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ 200</u>	
PECO								
Letters of credit ^(a)	\$ 2	\$ —	\$ 2	\$ —	\$ —	\$ —	\$ —	
Surety bonds ^(b)	2	1	1	—	—	—	—	
Financing trust guarantees ^(c)	178	—	—	—	—	78	100	
Total commercial commitments	<u>\$ 182</u>	<u>\$ 1</u>	<u>\$ 3</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 78</u>	<u>\$ 100</u>	
BGE								
Letters of credit ^(a)	\$ 8	\$ 6	\$ 2	\$ —	\$ —	\$ —	\$ —	
Surety bonds ^(b)	3	1	2	—	—	—	—	
Total commercial commitments	<u>\$ 11</u>	<u>\$ 7</u>	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	
PHI								
Surety bonds ^(b)	\$ 96	\$ 77	\$ 19	\$ —	\$ —	\$ —	\$ —	
Guaranteed lease residual values ^(d)	26	—	3	5	4	6	8	
Total commercial commitments	<u>\$ 122</u>	<u>\$ 77</u>	<u>\$ 22</u>	<u>\$ 5</u>	<u>\$ 4</u>	<u>\$ 6</u>	<u>\$ 8</u>	
Pepco								
Surety bonds ^(a)	\$ 85	\$ 71	\$ 14	\$ —	\$ —	\$ —	\$ —	
Guaranteed lease residual values ^(d)	9	—	1	2	1	2	3	
Total commercial commitments	<u>\$ 94</u>	<u>\$ 71</u>	<u>\$ 15</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 3</u>	
DPL								
Surety bonds ^(b)	\$ 6	\$ 3	\$ 3	\$ —	\$ —	\$ —	\$ —	
Guaranteed lease residual values ^(d)	10	—	1	2	2	2	3	
Total commercial commitments	<u>\$ 16</u>	<u>\$ 3</u>	<u>\$ 4</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 3</u>	
ACE								
Surety bonds ^(b)	\$ 5	\$ 3	\$ 2	\$ —	\$ —	\$ —	\$ —	
Guaranteed lease residual values ^(d)	7	—	1	1	1	2	2	
Total commercial commitments	<u>\$ 12</u>	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 2</u>	

(a) Exelon and certain of its subsidiaries maintain non-debt letters of credit to provide credit support for certain transactions as requested by third parties.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 11 — Commitments and Contingencies

- (b) Surety bonds—Guarantees issued related to contract and commercial agreements, excluding bid bonds. Historically, payments under the guarantees have not been made and the likelihood of payments being required is remote.
- (c) Reflects guarantee of ComEd and PECO securities held by ComEd Financing III, PECO Trust III, and PECO Trust IV.
- (d) Represents the maximum potential obligation in the event the fair value of certain leased equipment and fleet vehicles is zero at the end of the maximum lease term. The lease term associated with these assets ranges from 1 to 9 years. The maximum potential obligation at the end of the minimum lease term would be \$59 million guaranteed by Exelon and PHL, of which \$20 million, \$23 million, and \$16 million is guaranteed by Pepco, DPL, and ACE, respectively. Historically, payments under the guarantees have not been made and PHL believes the likelihood of payments being required under the guarantees is remote.

Environmental Remediation Matters

General (All Registrants). The Registrants' operations have in the past, and may in the future, require substantial expenditures to comply with environmental laws. Additionally, under federal and state environmental laws, the Registrants are generally liable for the costs of remediating environmental contamination of property now or formerly owned by them and of property contaminated by hazardous substances generated by them. The Registrants own or lease a number of real estate parcels, including parcels on which their operations or the operations of others may have resulted in contamination by substances that are considered hazardous under environmental laws. In addition, the Registrants are currently involved in a number of proceedings relating to sites where hazardous substances have been deposited and may be subject to additional proceedings in the future. Unless otherwise disclosed, the Registrants cannot reasonably estimate whether they will incur significant liabilities for additional investigation and remediation costs at these or additional sites identified by the Registrants, environmental agencies, or others, or whether such costs will be recoverable from third parties, including customers. Additional costs could have a material, unfavorable impact on the Registrants' financial statements.

MGP Sites (All Registrants). ComEd, PECO, BGE, and DPL have identified sites where former MGP or gas purification activities have or may have resulted in actual site contamination. For some sites, there are additional PRPs that may share responsibility for the ultimate remediation of each location.

- ComEd has 16 sites that are currently under some degree of active study and/or remediation. ComEd expects the majority of the remediation at these sites to continue through at least 2031.
- PECO has 6 sites that are currently under some degree of active study and/or remediation. PECO expects the majority of the remediation at these sites to continue through at least 2025.
- BGE has 4 sites that currently require some level of remediation and/or ongoing activity. BGE expects the majority of the remediation at these sites to continue through at least 2025.
- DPL has 1 site that is currently under study and the required cost at the site is not expected to be material.

The historical nature of the MGP and gas purification sites and the fact that many of the sites have been buried and built over, impacts the ability to determine a precise estimate of the ultimate costs prior to initial sampling and determination of the exact scope and method of remedial activity. Management determines its best estimate of remediation costs using all available information at the time of each study, including probabilistic and deterministic modeling for ComEd and PECO, and the remediation standards currently required by the applicable state environmental agency. Prior to completion of any significant clean up, each site remediation plan is approved by the appropriate state environmental agency.

ComEd, pursuant to an ICC order, and PECO, pursuant to a PAPUC order, are currently recovering environmental remediation costs of former MGP facility sites through customer rates. While BGE and DPL do not have riders for MGP clean-up costs, they have historically received recovery of actual clean-up costs in distribution rates.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 11 — Commitments and Contingencies

At June 30, 2024 and December 31, 2023, the Registrants had accrued the following undiscounted amounts for environmental liabilities in Accrued expenses, Other current liabilities, and Other deferred credits and other liabilities in their respective Consolidated Balance Sheets:

	June 30, 2024		December 31, 2023	
	Total Environmental Investigation and Remediation Liabilities	Portion of Total Related to MGP Investigation and Remediation	Total Environmental Investigation and Remediation Liabilities	Portion of Total Related to MGP Investigation and Remediation
Exelon	\$ 406	\$ 319	\$ 428	\$ 338
ComEd	284	283	303	302
PECO	27	25	27	25
BGE	14	11	14	11
PHI	75	—	81	—
Pepco	74	—	79	—
DPL	1	—	1	—
ACE	—	—	1	—

Benning Road Site (Exelon, PHI, and Pepco). In September 2010, PHI received a letter from the EPA identifying the Benning Road site as one of six land-based sites potentially contributing to contamination of the lower Anacostia River. A portion of the site, which is owned by Pepco, was formerly the location of an electric generating facility owned by Pepco subsidiary, Pepco Energy Services (PES), which became a part of Generation following the 2016 merger between PHI and Exelon. This generating facility was deactivated in June 2012. The remaining portion of the site consists of a Pepco transmission and distribution service center that remains in operation. In December 2011, the U.S. District Court for the District of Columbia approved a Consent Decree entered into by Pepco and Pepco Energy Services (hereinafter "Pepco Entities") with the DOEE, which requires the Pepco Entities to conduct a Remedial Investigation and Feasibility Study (RI/FS) for the Benning Road site and an approximately 10 to 15-acre portion of the adjacent Anacostia River. The purpose of this RI/FS is to define the nature and extent of contamination from the Benning Road site and to evaluate remedial alternatives.

Pursuant to an internal agreement between the Pepco Entities, since 2013, Pepco has performed the work required by the Consent Decree and has been reimbursed for that work by an agreed upon allocation of costs between the Pepco Entities. In September 2019, the Pepco Entities issued a draft "final" RI report which the DOEE approved on February 3, 2020. The Pepco Entities are completing a FS to evaluate possible remedial alternatives for submission to the DOEE. In October 2022, the DOEE approved dividing the work to complete the landside portion of the FS from the waterside portion to expedite the overall schedule for completion of the project. The landside FS was approved by the DOEE on March 15, 2024, and the waterside FS is scheduled to be complete and approved by the DOEE by the end of the fourth quarter of 2024. Following the completion of each FS, the DOEE will issue a Proposed Plan for public comment and then issue a Record of Decision (ROD) identifying the remedial actions determined to be necessary for the area in question. On October 3, 2023, the DOEE and Pepco entered into an addendum to the Benning Consent Decree pursuant to which Pepco has agreed to fund or perform the remedial actions to be selected by the DOEE for the landside and waterside areas. This addendum to the Benning Consent Decree was entered by the Court on February 27, 2024 and became effective on that date.

As part of the separation between Exelon and Constellation in February 2022, the internal agreement between the Pepco Entities for completion and payment for the remaining Consent Decree work was memorialized in a formal agreement for post-separation activities. A second post-separation assumption agreement between Exelon and Constellation transferred any of the potential remaining remediation liability, if any, of PES/Generation to a non-utility subsidiary of Exelon which going forward will be responsible for those liabilities. Exelon, PHI, and Pepco have determined that a loss associated with this matter is probable and have accrued an estimated liability, which is included in the table above.

Anacostia River Tidal Reach (Exelon, PHI, and Pepco). Contemporaneous with the Benning Road site RI/FS being performed by the Pepco Entities, the DOEE and NPS have been conducting a separate RI/FS focused on the entire tidal reach of the Anacostia River extending from just north of the Maryland-District of Columbia boundary line to the confluence of the Anacostia and Potomac Rivers. The riverwide RI incorporated the results

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 11 — Commitments and Contingencies

of the river sampling performed by the Pepco Entities as part of the Benning RI/FS, as well as similar sampling efforts conducted by owners of other sites adjacent to this segment of the river and supplemental river sampling conducted by the DOEE's contractor.

On September 30, 2020, the DOEE released its Interim ROD for the Anacostia River sediments. The Interim ROD reflects an adaptive management approach which will require several identified "hot spots" in the river to be addressed first while continuing to conduct studies and to monitor the river to evaluate improvements and determine potential future remediation plans. The adaptive management process chosen by the DOEE is less intrusive, provides more long-term environmental certainty, is less costly, and allows for site specific remediation plans already underway, including the plan for the Benning Road site to proceed to conclusion.

On July 15, 2022, Pepco received a letter from the District of Columbia's Office of the Attorney General (D.C. OAG) on behalf of the DOEE conveying a settlement offer to resolve all PRPs' liability to the District of Columbia (District) for their past costs and their anticipated future costs to complete the work for the Interim ROD. Pepco responded on July 27, 2022 agreeing to enter into settlement discussions. On October 3, 2023, Pepco and the District entered into another consent decree (the "Anacostia River Consent Decree") pursuant to which Pepco agreed to pay \$47 million to resolve its liability to the District for all past costs to perform the riverwide RI/FS and all future costs to complete the work required by the Interim ROD. This amount will be paid in four equal annual installments beginning a year after the effective date of the Anacostia River Consent Decree. The funds will be deposited into the DOEE's Clean Land Fund for the District's costs of the Interim ROD work. The Anacostia River Consent Decree caps Pepco's liability for these costs and provides Pepco with the right to seek contributions from other potentially responsible parties. The Anacostia River Consent Decree was signed by the judge for the U.S. District Court for the District of Columbia and became effective on April 11, 2024. Exelon, PHI, and Pepco have accrued a liability for Pepco's payment obligations under the Anacostia Consent Decree and management's best estimate of its share of any other future Anacostia River response costs. Pepco has concluded that incremental exposure remains reasonably possible, but management cannot reasonably estimate a range of loss beyond the amounts recorded, which are included in the table above.

In addition to the activities associated with the remedial process outlined above, CERCLA separately requires federal and state (here including Washington, D.C.) Natural Resource Trustees (federal or state agencies designated by the President or the relevant state, respectively, or Indian tribes) to conduct an assessment of any damages to natural resources within their jurisdiction as a result of the contamination that is being remediated. The Trustees can seek compensation from responsible parties for such damages, including restoration costs. During the second quarter of 2018, Pepco became aware that the Trustees are in the beginning stages of a NRD assessment, a process that often takes many years beyond the remedial decision to complete. Pepco has concluded that a loss associated with the eventual NRD assessment is reasonably possible. Due to the very early stage of the NRD process, Pepco cannot reasonably estimate the final range of loss potentially resulting from this process.

As noted in the Benning Road Site disclosure above, as part of the separation of Exelon and Constellation in February 2022, an assumption agreement was executed transferring any potential future remediation liabilities associated with the Benning Site remediation to a non-utility subsidiary of Exelon. Similarly, any potential future liability associated with the Anacostia River Sediment Project was also assumed by this entity.

Buzzard Point Site (Exelon, PHI, and Pepco). On December 8, 2022, Pepco received a letter from the D.C. OAG, alleging wholly past violations of the District's stormwater discharge and waste disposal requirements related to operations at the Buzzard Point facility, a 9-acre parcel of waterfront property in Washington, D.C. occupied by an active substation and former steam plant building. The letter also alleged wholly past violations by Pepco of stormwater discharge requirements related to its district-wide system of underground vaults. On October 3, 2023, Pepco entered into a Consent Order with the District of Columbia to resolve the alleged violations without any admission of liability. The Consent Order requires Pepco to pay a civil penalty of \$10 million. In addition, Pepco has agreed to assess the environmental conditions at its Buzzard Point facility and conduct any remedial actions deemed necessary as a result of the assessment, and also to assess potential environmental impacts associated with the operation of its underground vaults. The court signed and entered the Consent Order, and it became effective on February 2, 2024. Exelon, PHI, and Pepco have accrued a liability for the penalty payments and for the projected costs for the required environmental assessments and remediation. Pepco has concluded that incremental exposure is reasonably possible, but the range of loss cannot be reasonably estimated beyond the amounts included in the table above.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 11 — Commitments and Contingencies

Litigation and Regulatory Matters

DPA and Related Matters (Exelon and ComEd). Exelon and ComEd received a grand jury subpoena in the second quarter of 2019 from the U.S. Attorney's Office for the Northern District of Illinois (USAO) requiring production of information concerning their lobbying activities in the State of Illinois. On October 4, 2019, Exelon and ComEd received a second grand jury subpoena from the USAO requiring production of records of any communications with certain individuals and entities. On October 22, 2019, the SEC notified Exelon and ComEd that it had also opened an investigation into their lobbying activities. On July 17, 2020, ComEd entered into a DPA with the USAO to resolve the USAO investigation, which included a payment to the U.S. Treasury of \$200 million, which was paid in November 2020. The three-year term of the DPA ended on July 17, 2023, and on that same date the court granted the USAO's motion to dismiss the pending charge against ComEd that had been deferred by the DPA.

On September 28, 2023, Exelon and ComEd reached a settlement with the SEC, concluding and resolving in its entirety the SEC investigation, which related to the conduct identified in the DPA that was entered into by ComEd in July 2020 and successfully exited in July 2023. Under the terms of the settlement, Exelon has agreed to pay a civil penalty of \$46.2 million and Exelon and ComEd have agreed to cease and desist from committing or causing any violations and any future violations of specified provisions of the federal securities laws and rules promulgated thereunder. Exelon recorded an accrual for the full amount of the penalty in the second quarter of 2023, which was reflected in Operating and maintenance expense within Exelon's Consolidated Statements of Operations and Comprehensive Income and in Accrued expenses on the Consolidated Balance Sheets. Exelon paid the civil penalty in full on October 4, 2023.

Subsequent to Exelon announcing the receipt of the USAO subpoenas, various lawsuits were filed, and various demand letters were received related to the subject of the subpoenas, the conduct described in the DPA and the SEC's investigation, including:

- Four putative class action lawsuits against ComEd and Exelon were filed in federal court on behalf of ComEd customers in the third quarter of 2020 alleging, among other things, civil violations of federal racketeering laws. The court granted ComEd and Exelon's motion to dismiss these actions in 2021 and that dismissal was affirmed on appeal in 2022. Plaintiffs have no further appeal rights and therefore the dismissal is final.
- Three putative class action lawsuits against ComEd and Exelon were filed in Illinois state court in the third quarter of 2020 seeking restitution and compensatory damages on behalf of ComEd customers. The cases were consolidated into a single action in October of 2020. ComEd and Exelon filed a motion to dismiss on January 11, 2021. On December 23, 2021, the state court granted ComEd and Exelon's motion to dismiss with prejudice. Plaintiffs appealed the court's ruling dismissing their complaint to the First District Court of Appeals. On February 15, 2022, ComEd and Exelon moved to dismiss the federal plaintiffs' refiled state law claims, seeking dismissal on the same legal grounds asserted in their motion to dismiss the original state court plaintiffs' complaint. The court granted dismissal of the refiled state claims on February 16, 2022. The original federal plaintiffs appealed that dismissal on February 18, 2022. The two state appeals were consolidated on March 21, 2022. On September 8, 2023, the appellate court affirmed the dismissal. On December 22, 2023, plaintiffs filed a petition for leave to appeal to the Illinois Supreme Court, which ComEd and Exelon responded to on January 12, 2024. On March 27, 2024, the Illinois Supreme Court denied plaintiffs' petition for leave to appeal. The dismissal of this action is final.
- On November 3, 2022, a plaintiff filed a putative class action complaint in Lake County, Illinois Circuit Court against ComEd and Exelon for unjust enrichment and deceptive business practices in connection with the conduct giving rise to the DPA. Plaintiff seeks an accounting and disgorgement of any benefits ComEd allegedly obtained from said conduct. ComEd and Exelon filed a motion to dismiss the Complaint on February 3, 2023. On June 16, 2023, the court granted ComEd and Exelon's motion to dismiss the action with prejudice. Plaintiff filed its notice of appeal of that dismissal on July 17, 2023. On April 12, 2024, the appellate court issued its decision affirming dismissal of the action. On June 3, 2024, plaintiff filed a petition for leave to appeal the dismissal to the Illinois Supreme Court, which is a discretionary appeal. ComEd and Exelon filed its response to that petition on July 19, 2024.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 11 — Commitments and Contingencies

- A putative class action lawsuit against Exelon and certain officers of Exelon and ComEd was filed in federal court in December 2019 alleging misrepresentations and omissions in Exelon's SEC filings related to ComEd's lobbying activities and the related investigations. The complaint was amended on September 16, 2020, to dismiss two of the original defendants and add other defendants, including ComEd. Defendants filed a motion to dismiss in November 2020. The court denied the motion in April 2021. Following mediation, the parties reached a settlement of the lawsuit, under which defendants agreed to pay plaintiffs \$173 million. On May 26, 2023, plaintiffs filed a motion for preliminary approval of the settlement, which the court granted on June 9, 2023. The court granted final settlement approval on September 7, 2023. The settlement was fully covered by insurance and has been paid in full.
- Several shareholders have sent letters to the Exelon Board of Directors since 2020 demanding, among other things, that the Exelon Board of Directors investigate and address alleged breaches of fiduciary duties and other alleged violations by Exelon and ComEd officers and directors related to the conduct described in the DPA. In the first quarter of 2021, the Exelon Board of Directors appointed a Special Litigation Committee (SLC) consisting of disinterested and independent parties to investigate and address these shareholders' allegations and make recommendations to the Exelon Board of Directors based on the outcome of the SLC's investigation. In July 2021, one of the demand letter shareholders filed a derivative action against current and former Exelon and ComEd officers and directors, and against Exelon, as nominal defendant, asserting the same claims made in its demand letter. Since that date, multiple parties have filed separate derivative lawsuits that were subsequently consolidated. On October 12, 2021, the parties filed an agreed motion to stay the litigation for 120 days in order to allow the SLC to continue its investigation, which the court granted. The stay has been extended several times. Through mediation efforts, a settlement of the derivative claims was reached by the SLC, the Independent Review Committee of the Board (which had been formed in the third quarter of 2022, to ensure the Board's consideration of any SLC recommendations would be independent and objective), the Board, and certain of the derivative shareholders. On June 16, 2023, the SLC filed a motion for preliminary approval of the settlement, attaching the Stipulation and Agreement of Settlement (Stipulation), which contains the terms of the proposed settlement. The proposed settlement terms include but are not limited to: a payment of \$40 million to Exelon by Exelon's insurers of which \$10 million constitutes the attorneys' fee award to be paid to the Settling Shareholders' counsel; various compliance and disclosure-related reforms; and certain changes in Board and Committee composition. On June 30, 2023, the court granted the non-settling shareholders' request for limited discovery into the settlement. Following that discovery, on October 26, 2023, the SLC filed its renewed motion for preliminary approval with supporting submissions filed by the Independent Review Committee, Exelon, and the settling shareholders on that same day. The parties briefing on preliminary approval was completed on January 18, 2024.

In August 2022, the ICC concluded its investigation initiated on August 12, 2021 into rate impacts of conduct admitted in the DPA including the costs recovered from customers related to the DPA and Exelon's funding of the fine paid by ComEd. On August 17, 2022, the ICC issued its final order accepting ComEd's voluntary customer refund offer of approximately \$38 million (of which about \$31 million is ICC jurisdictional; the remaining balance is FERC jurisdictional) that resolves the question of whether customer funds were used for DPA-related activities. The customer refund includes the cost of every individual or entity that was either (i) identified in the DPA or (ii) identified by ComEd as an associate of the former Speaker of the Illinois House of Representatives in the ICC proceeding. The ICC's DPA investigation is now closed. The ICC jurisdictional refund was made to customers during the April 2023 billing cycle, as required by the ICC. The FERC jurisdictional refund was completed as of May 2024 as part of ComEd's transmission formula rate update proceeding, submitted on May 12, 2023. The customer refund was not recovered in rates or charged to customers and ComEd will not seek or accept reimbursement or indemnification from any source other than Exelon.

General (All Registrants). The Registrants are involved in various other litigation matters that are being defended and handled in the ordinary course of business. The Registrants are also from time to time subject to audits and investigations by the FERC and other regulators. The assessment of whether a loss is probable or reasonably possible, and whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events. The Registrants maintain accruals for such losses that are probable of being incurred and subject to reasonable estimation. Management is sometimes unable to estimate an amount or range of reasonably possible loss, particularly where (1) the damages sought are indeterminate, (2) the proceedings are in the early stages, or (3) the matters involve novel or unsettled legal theories. In such cases,

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 11 — Commitments and Contingencies

there is considerable uncertainty regarding the timing or ultimate resolution of such matters, including a possible eventual loss.

12. Shareholders' Equity (Exelon)

At-the-Market Program

On August 4, 2022, Exelon executed an equity distribution agreement ("Equity Distribution Agreement"), with certain sales agents and forward sellers and certain forward purchasers, establishing an ATM equity distribution program under which it may offer and sell shares of its Common stock, having an aggregate gross sales price of up to \$1.0 billion. Exelon has no obligation to offer or sell any shares of Common stock under the Equity Distribution Agreement and may, at any time, suspend or terminate offers and sales under the Equity Distribution Agreement. In November and December 2023, Exelon issued approximately 3.6 million shares of Common stock at an average gross price of \$39.58 per share. The net proceeds from these issuances were \$140 million, which were used for general corporate purposes. As of June 30, 2024, \$858 million of Common stock remained available for sale pursuant to the ATM program.

13. Changes in Accumulated Other Comprehensive Income (Loss) (Exelon)

The following table presents changes in Exelon's AOCI, net of tax, by component:

	Cash Flow Hedges	Pension and Non-Pension Postretirement Benefit Plan Items ^(a)	Total
Three Months Ended June 30, 2024			
Balance at March 31, 2024	\$ 30	\$ (742)	\$ (712)
OCI before reclassifications	(2)	(2)	(4)
Amounts reclassified from AOCI	(1)	5	4
Net current-period OCI	(3)	3	—
Balance at June 30, 2024	\$ 27	\$ (739)	\$ (712)
Three Months Ended June 30, 2023			
Balance at March 31, 2023	\$ 8	\$ (647)	\$ (639)
OCI before reclassifications	9	(3)	6
Amounts reclassified from AOCI	—	3	3
Net current-period OCI	9	—	9
Balance at June 30, 2023	\$ 17	\$ (647)	\$ (630)
Six Months Ended June 30, 2024			
Balance at December 31, 2023	\$ (3)	\$ (723)	\$ (726)
OCI before reclassifications	32	(26)	6
Amounts reclassified from AOCI	(2)	10	8
Net current-period OCI	30	(16)	14
Balance at June 30, 2024	\$ 27	\$ (739)	\$ (712)

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 13 — Changes in Accumulated Other Comprehensive Income

Six Months Ended June 30, 2023	Cash Flow Hedges	Pension and Non-Pension Postretirement Benefit Plan Items ^(a)	Total
Balance at December 31, 2022	\$ 2	\$ (640)	\$ (638)
OCI before reclassifications	15	(13)	2
Amounts reclassified from AOCI	—	6	6
Net current-period OCI	\$ 15	\$ (7)	\$ 8
Balance at June 30, 2023	\$ 17	\$ (647)	\$ (630)

(a) This AOCI component is included in the computation of net periodic pension and OPEB cost. See Note 14 — Retirement Benefits of the 2023 Form 10-K and Note 7 — Retirement Benefits for additional information. See Exelon's Statements of Operations and Comprehensive Income for individual components of AOCI.

The following table presents Income tax benefit (expense) allocated to each component of Exelon's Other comprehensive income (loss):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Pension and non-pension postretirement benefit plans:				
Actuarial losses reclassified to periodic benefit cost	\$ (2)	\$ (1)	\$ (4)	\$ (2)
Pension and non-pension postretirement benefit plans valuation adjustments	—	1	8	4
Unrealized gains on cash flow hedges	—	(3)	(10)	(4)

14. Supplemental Financial Information (All Registrants)

Supplemental Statement of Operations Information

The following tables provide additional information about material items recorded in the Registrants' Consolidated Statements of Operations and Comprehensive Income:

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 14 — Supplemental Financial Information

	Taxes other than income taxes							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Three Months Ended June 30, 2024								
Utility taxes ^(a)	\$ 226	\$ 73	\$ 42	\$ 31	\$ 80	\$ 72	\$ 6	\$ —
Property	107	10	5	53	39	26	12	1
Payroll	33	9	4	5	7	2	1	1
Three Months Ended June 30, 2023								
Utility taxes ^(a)	\$ 201	\$ 71	\$ 38	\$ 22	\$ 70	\$ 63	\$ 6	\$ 1
Property	96	8	4	49	35	24	10	1
Payroll	31	7	4	5	7	2	1	1
Six Months Ended June 30, 2024								
Utility taxes ^(a)	\$ 447	\$ 148	\$ 83	\$ 54	\$ 162	\$ 146	\$ 14	\$ 2
Property	212	18	9	107	78	53	23	1
Payroll	67	18	9	9	14	4	2	2
Six Months Ended June 30, 2023								
Utility taxes ^(a)	\$ 421	\$ 146	\$ 78	\$ 50	\$ 147	\$ 131	\$ 14	\$ 2
Property	196	18	8	100	70	48	21	1
Payroll	63	14	9	9	14	4	2	2

(a) The Registrants' utility taxes represent municipal and state utility taxes and gross receipts taxes related to their operating revenues. The offsetting collection of utility taxes from customers is recorded in revenues in the Registrants' Consolidated Statements of Operations and Comprehensive Income.

	Other, net							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Three Months Ended June 30, 2024								
AFUDC — Equity	\$ 38	\$ 9	\$ 8	\$ 6	\$ 15	\$ 12	\$ 3	\$ —
Non-service net periodic benefit cost	(11)	—	—	—	—	—	—	—
Three Months Ended June 30, 2023								
AFUDC — Equity	\$ 34	\$ 7	\$ 6	\$ 4	\$ 17	\$ 13	\$ 2	\$ 2
Non-service net periodic benefit cost	(1)	—	—	—	—	—	—	—
Six Months Ended June 30, 2024								
AFUDC — Equity	\$ 78	\$ 19	\$ 16	\$ 13	\$ 30	\$ 23	\$ 6	\$ 1
Non-service net periodic benefit cost	(17)	—	—	—	—	—	—	—
Six Months Ended June 30, 2023								
AFUDC — Equity	\$ 71	\$ 17	\$ 12	\$ 7	\$ 35	\$ 27	\$ 4	\$ 4
Non-service net periodic benefit cost	(2)	—	—	—	—	—	—	—

Supplemental Cash Flow Information

The following tables provide additional information about material items recorded in the Registrants' Consolidated Statements of Cash Flows.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 14 — Supplemental Financial Information

	Depreciation, amortization, and accretion							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Six Months Ended June 30, 2024								
Property, plant, and equipment ^(a)	\$ 1,436	\$ 573	\$ 203	\$ 247	\$ 383	\$ 164	\$ 107	\$ 105
Amortization of regulatory assets and liabilities, net ^(a)	333	164	7	65	97	41	15	41
Amortization of intangible assets, net ^(a)	4	—	—	—	—	—	—	—
ARO accretion ^(b)	1	—	—	—	1	—	—	—
Total depreciation, amortization and accretion	\$ 1,774	\$ 737	\$ 210	\$ 312	\$ 481	\$ 205	\$ 122	\$ 146
Six Months Ended June 30, 2023								
Property, plant, and equipment ^(a)	\$ 1,370	\$ 540	\$ 190	\$ 249	\$ 364	\$ 152	\$ 104	\$ 96
Amortization of regulatory assets and liabilities, net ^(a)	352	148	7	76	120	64	17	39
Amortization of intangible assets, net ^(a)	4	—	—	—	—	—	—	—
ARO accretion ^(b)	1	—	—	—	—	—	—	—
Total depreciation and amortization	\$ 1,727	\$ 688	\$ 197	\$ 325	\$ 484	\$ 216	\$ 121	\$ 135

(a) Included in Depreciation and amortization expense in the Registrants' Consolidated Statements of Operations and Comprehensive Income.

(b) Included in Operating and maintenance expense in Exelon's Consolidated Statements of Operations and Comprehensive Income.

	Other non-cash operating activities							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Six Months Ended June 30, 2024								
Pension and OPEB costs	\$ 120	\$ 36	\$ —	\$ 31	\$ 46	\$ 16	\$ 7	\$ 7
Allowance for credit losses	93	8	47	11	27	16	3	7
True-up adjustments to decoupling mechanisms and formula rates ^(a)	(15)	24	2	(19)	(22)	(37)	4	11
Amortization of operating ROU asset	19	—	—	3	13	3	3	2
AFUDC — Equity	(78)	(19)	(16)	(13)	(30)	(23)	(6)	(1)
Six Months Ended June 30, 2023								
Pension and OPEB costs (benefit)	\$ 89	\$ 13	\$ (7)	\$ 28	\$ 49	\$ 17	\$ 9	\$ 7
Allowance for credit losses	46	1	19	4	22	13	3	6
True-up adjustments to decoupling mechanisms and formula rates ^(a)	(410)	(270)	10	(70)	(80)	(46)	(15)	(19)
Long-term incentive plan	13	—	—	—	—	—	—	—
Amortization of operating ROU asset	19	1	—	2	14	2	4	2
Change in environmental liabilities	37	—	—	—	37	37	—	—
AFUDC — Equity	(71)	(17)	(12)	(7)	(35)	(27)	(4)	(4)

(a) For ComEd, reflects the true-up adjustments in Regulatory assets and liabilities associated with its distribution, energy efficiency, distributed generation, and transmission formula rates. For PECO, reflects the change in Regulatory assets and liabilities associated with its transmission formula rates. For BGE, Pepco, DPL, and ACE, reflects the change in

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 14 — Supplemental Financial Information

Regulatory assets and liabilities associated with their decoupling mechanisms and transmission formula rates. See Note 3 — Regulatory Matters of the 2023 Form 10-K for additional information.

The following tables provide a reconciliation of cash, cash equivalents, and restricted cash reported within the Registrants' Consolidated Balance Sheets that sum to the total of the same amounts in their Consolidated Statements of Cash Flows.

	Cash, cash equivalents, and restricted cash							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance at June 30, 2024								
Cash and cash equivalents	\$ 934	\$ 326	\$ 19	\$ 428	\$ 119	\$ 19	\$ 50	\$ 15
Restricted cash and cash equivalents	530	446	9	—	22	21	1	—
Restricted cash included in Other deferred debits and other assets	71	71	—	—	—	—	—	—
Total cash, restricted cash, and cash equivalents	\$ 1,535	\$ 843	\$ 28	\$ 428	\$ 141	\$ 40	\$ 51	\$ 15
Balance at December 31, 2023								
Cash and cash equivalents	\$ 445	\$ 110	\$ 42	\$ 47	\$ 180	\$ 48	\$ 16	\$ 21
Restricted cash and cash equivalents	482	402	9	1	24	24	—	—
Restricted cash included in Other deferred debits and other assets	174	174	—	—	—	—	—	—
Total cash, restricted cash, and cash equivalents	\$ 1,101	\$ 686	\$ 51	\$ 48	\$ 204	\$ 72	\$ 16	\$ 21
Balance at June 30, 2023								
Cash and cash equivalents	\$ 399	\$ 74	\$ 82	\$ 89	\$ 110	\$ 16	\$ 18	\$ 24
Restricted cash and cash equivalents	435	361	9	1	26	26	—	—
Restricted cash included in Other deferred debits and other assets	201	201	—	—	—	—	—	—
Total cash, restricted cash, and cash equivalents	\$ 1,035	\$ 636	\$ 91	\$ 90	\$ 136	\$ 42	\$ 18	\$ 24
Balance at December 31, 2022								
Cash and cash equivalents	\$ 407	\$ 67	\$ 59	\$ 43	\$ 198	\$ 45	\$ 31	\$ 72
Restricted cash and cash equivalents	566	327	9	24	175	54	121	—
Restricted cash included in Other deferred debits and other assets	117	117	—	—	—	—	—	—
Total cash, restricted cash, and cash equivalents	\$ 1,090	\$ 511	\$ 68	\$ 67	\$ 373	\$ 99	\$ 152	\$ 72

For additional information on restricted cash see Note 1 — Significant Accounting Policies of the 2023 Form 10-K.

Supplemental Balance Sheet Information

The following table provides additional information about material items recorded in the Registrants' Consolidated Balance Sheets.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 14 — Supplemental Financial Information

	Accrued expenses							
	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Balance at June 30, 2024								
Compensation-related accruals ^(a)	\$ 476	\$ 124	\$ 72	\$ 66	\$ 92	\$ 27	\$ 18	\$ 13
Taxes accrued	183	91	56	26	90	74	7	9
Interest accrued	469	153	50	48	85	47	17	17
Balance at December 31, 2023								
Compensation-related accruals ^(a)	\$ 661	\$ 206	\$ 87	\$ 81	\$ 107	\$ 27	\$ 17	\$ 12
Taxes accrued	221	204	96	75	137	116	30	10
Interest accrued	414	148	49	44	72	38	13	15

(a) Primarily includes accrued payroll, bonuses and other incentives, vacation, and benefits.

15. Related Party Transactions (All Registrants)

Service Company Costs for Corporate Support

The Registrants receive a variety of corporate support services from BSC. Pepco, DPL, and ACE also receive corporate support services from PHISCO. See Note 1 — Significant Accounting Policies for additional information regarding BSC and PHISCO.

The following table presents the service company costs allocated to the Registrants:

	Operating and maintenance from affiliates				Capitalized costs			
	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Exelon								
BSC					\$ 159	\$ 165	\$ 317	\$ 340
PHISCO					29	25	58	49
ComEd								
BSC	\$ 104	\$ 88	\$ 204	\$ 171	63	78	134	159
PECO								
BSC	61	54	119	105	29	30	58	60
BGE								
BSC	62	54	121	108	25	22	49	46
PHI								
BSC	49	43	99	85	42	35	76	75
PHISCO	—	—	—	—	29	25	58	49
Pepco								
BSC	32	28	63	55	18	14	35	28
PHISCO	33	30	66	60	12	10	24	21
DPL								
BSC	20	18	39	35	13	10	25	20
PHISCO	26	25	51	49	8	8	17	15
ACE								
BSC	16	15	32	29	10	12	15	26
PHISCO	25	22	48	44	9	7	17	13

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Dollars in millions, except per share data, unless otherwise noted)

Note 15 — Related Party Transactions

Current Receivables from/Payables to Affiliates

The following tables present current Receivables from affiliates and current Payables to affiliates:

June 30, 2024

Payables to affiliates:	Receivables from affiliates:									
	ComEd	PECO	BGE	Pepco	DPL	ACE	BSC	PHISCO	Other	Total
ComEd		\$ 1	\$ —	\$ —	\$ —	\$ —	\$ 67	\$ —	\$ 8	\$ 76
PECO	\$ —		—	—	—	—	35	—	4	39
BGE	—	—		—	—	—	36	—	1	37
PHI	—	—	—	—	—	—	7	1	10	18
Pepco	—	—	—		—	—	20	17	—	37
DPL	—	—	—	—		—	12	13	1	26
ACE	—	—	—	—	—		10	12	2	24
Other	4	—	—	—	—	3	—	—	—	7
Total	\$ 4	\$ 1	\$ —	\$ —	\$ —	\$ 3	\$ 187	\$ 43	\$ 26	\$ 264

December 31, 2023

Payables to affiliates:	Receivables from affiliates:									
	ComEd	PECO	BGE	Pepco	DPL	ACE	BSC	PHISCO	Other	Total
ComEd		\$ —	\$ —	\$ —	\$ —	\$ —	\$ 64	\$ —	\$ 8	\$ 72
PECO	\$ —		—	—	—	—	36	—	3	39
BGE	—	—		—	—	—	33	—	2	35
PHI	—	—	—	—	—	—	5	—	10	15
Pepco	—	—	—		—	—	17	14	1	32
DPL	—	1	—	—		—	12	11	1	25
ACE	—	1	—	1	1		11	11	—	25
Other	3	—	—	1	—	3	1	—	—	8
Total	\$ 3	\$ 2	\$ —	\$ 2	\$ 1	\$ 3	\$ 179	\$ 36	\$ 25	\$ 251

Borrowings from Exelon/PHI intercompany money pool

To provide an additional short-term borrowing option that will generally be more favorable to the borrowing participants than the cost of external financing both Exelon and PHI operate an intercompany money pool. PECO and PHI Corporate participate in the Exelon intercompany money pool. Pepco, DPL, and ACE participate in the PHI intercompany money pool.

Long-term debt to financing trusts

The following table presents Long-term debt to financing trusts:

	June 30, 2024			December 31, 2023		
	Exelon	ComEd	PECO	Exelon	ComEd	PECO
ComEd Financing III	\$ 206	\$ 206	\$ —	\$ 206	\$ 205	\$ —
PECO Trust III	81	—	81	81	—	81
PECO Trust IV	103	—	103	103	—	103
Total	\$ 390	\$ 206	\$ 184	\$ 390	\$ 205	\$ 184

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars in millions except per share data, unless otherwise noted)

Exelon

Executive Overview

Exelon is a utility services holding company engaged in the energy transmission and distribution businesses through its six reportable segments: ComEd, PECO, BGE, Pepco, DPL, and ACE. See Note 1 — Significant Accounting Policies and Note 4 — Segment Information of the Combined Notes to Consolidated Financial Statements for additional information regarding Exelon's principal subsidiaries and reportable segments.

Exelon's consolidated financial information includes the results of its seven separate operating subsidiary registrants, ComEd, PECO, BGE, PHI, Pepco, DPL, and ACE, which, along with Exelon, are collectively referred to as the Registrants. The following combined Management's Discussion and Analysis of Financial Condition and Results of Operations is separately filed by Exelon, ComEd, PECO, BGE, PHI, Pepco, DPL, and ACE. However, none of the Registrants makes any representation as to information related solely to any of the other Registrants.

Financial Results of Operations

GAAP Results of Operations. The following table sets forth Exelon's GAAP consolidated Net income attributable to common shareholders by Registrant for the three and six months ended June 30, 2024 compared to the same period in 2023. For additional information regarding the financial results for the three and six months ended June 30, 2024 and 2023, see the discussions of Results of Operations by Registrant.

	Three Months Ended June 30,		Favorable (Unfavorable) Variance	Six Months Ended June 30,		Favorable (Unfavorable) Variance
	2024	2023		2024	2023	
Exelon	\$ 448	\$ 343	\$ 105	\$ 1,106	\$ 1,012	\$ 94
ComEd	270	249	21	463	489	(26)
PECO	90	97	(7)	239	263	(24)
BGE	44	42	2	308	241	67
PHI	158	103	55	326	258	68
Pepco	108	64	44	183	130	53
DPL	34	25	9	101	85	16
ACE	21	18	3	50	51	(1)
Other ^(a)	(114)	(148)	34	(230)	(239)	9

(a) Other primarily includes eliminating and consolidating adjustments, Exelon's corporate operations, shared service entities, and other financing and investment activities.

Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023. Net income attributable to common shareholders increased by \$105 million and diluted earnings per average common share increased to \$0.45 in 2024 from \$0.34 in 2023 primarily due to:

- The favorable impacts of rate increases at BGE and PHI;
- Favorable weather at PECO;
- Favorable impacts of the multi-year plans including the recognition of the reconciliations at Pepco; and
- Higher transmission peak load due to higher energy demand at ComEd.

The increases were partially offset by:

- Higher interest expense at PECO, BGE, and Exelon Corporate; and
- Higher depreciation expense at PECO and PHI.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023. Net income attributable to common shareholders increased by \$94 million and diluted earnings per average common share increased to \$1.10 in 2024 from \$1.02 in 2023 primarily due to:

- The favorable impacts of rate increases at BGE and PHI;
- Favorable weather at PECO;
- Favorable impacts of the multi-year plans including the recognition of the reconciliations at Pepco; and
- Higher transmission peak load due to higher energy demand at ComEd.

The increases were partially offset by:

- Higher interest expense at PECO, BGE, PHI, and Exelon Corporate;
- Higher storm costs at PECO and BGE;
- Higher depreciation expense at PECO and PHI;
- Lower electric distribution earnings from lower ROE and the absence of a return on the pension asset at ComEd; and
- Lower carrying costs related to the CMC regulatory assets at ComEd.

Adjusted (non-GAAP) operating earnings. In addition to Net income, Exelon evaluates its operating performance using the measure of Adjusted (non-GAAP) operating earnings because management believes it represents earnings directly related to the ongoing operations of the business. Adjusted (non-GAAP) operating earnings exclude certain costs, expenses, gains and losses, and other specified items. This information is intended to enhance an investor's overall understanding of year-over-year operating results and provide an indication of Exelon's baseline operating performance excluding items that are considered by management to be not directly related to the ongoing operations of the business. In addition, this information is among the primary indicators management uses as a basis for evaluating performance, allocating resources, setting incentive compensation targets, and planning and forecasting of future periods. Adjusted (non-GAAP) operating earnings is not a presentation defined under GAAP and may not be comparable to other companies' presentations or deemed more useful than the GAAP information provided elsewhere in this report.

The following table provides a reconciliation between GAAP Net income attributable to common shareholders and Adjusted (non-GAAP) operating earnings for the three and six months ended June 30, 2024 compared to the same period in 2023:

	Three Months Ended June 30,			
	2024		2023	
		Earnings per Diluted Share		Earnings per Diluted Share
(In millions, except per share data)				
Net income attributable to common shareholders	\$ 448	\$ 0.45	\$ 343	\$ 0.34
Mark-to-market impact of economic hedging activities (net of taxes of \$1)	—	—	3	—
Change in environmental liabilities (net of taxes of \$0 and \$1, respectively)	(1)	—	11	0.01
SEC matter loss contingency (net of taxes of \$0)	—	—	46	0.05
Change in FERC audit liability (net of taxes of \$5)	15	0.01	—	—
Separation costs (net of taxes of \$2) ^(a)	—	—	5	0.01
Cost management charge (net of taxes of \$3) ^(b)	9	0.01	—	—
Adjusted (non-GAAP) operating earnings	\$ 472	\$ 0.47	\$ 408	\$ 0.41

	Six Months Ended June 30,			
	2024		2023	
		Earnings per Diluted Share		Earnings per Diluted Share
(In millions, except per share data)				
Net income attributable to common shareholders	\$ 1,106	\$ 1.10	\$ 1,012	\$ 1.02
Mark-to-market impact of economic hedging activities (net of taxes of \$0)	—	—	2	—
Change in environmental liabilities (net of taxes of \$0 and \$8, respectively)	(1)	—	29	0.03
SEC matter loss contingency (net of taxes of \$0)	—	—	46	0.05
Change in FERC audit liability (net of taxes of \$13 and \$4, respectively)	42	0.04	11	0.01
Separation costs (net of taxes of \$1) ^(a)	—	—	4	—
Cost management charge (net of taxes of \$3) ^(b)	9	0.01	—	—
Adjusted (non-GAAP) operating earnings	\$ 1,156	\$ 1.16	\$ 1,104	\$ 1.11

Note:

Amounts may not sum due to rounding.

Unless otherwise noted, the income tax impact of each reconciling item between GAAP Net income attributable to common shareholders and Adjusted (non-GAAP) operating earnings is based on the marginal statutory federal and state income tax rates for each Registrant, taking into account whether the income or expense item is taxable or deductible, respectively, in whole or in part. The marginal statutory income tax rates for 2024 and 2023 ranged from 24.0% to 29.0%.

(a) Represents costs related to the separation primarily comprised of system-related costs, third-party costs paid to advisors, consultants, lawyers, and other experts assisting in the separation, and employee-related severance costs, which are recorded in Operating and maintenance expense and Other, net.

(b) Primarily represents severance and reorganization costs related to cost management.

Significant 2024 Transactions and Developments

Distribution Base Rate Case Proceedings

The Utility Registrants file base rate cases with their regulatory commissions seeking increases or decreases to their electric transmission and distribution, and gas distribution rates to recover their costs and earn a fair return on their investments. The outcomes of these regulatory proceedings impact the Utility Registrants' current and future financial statements.

The following tables show the Utility Registrants' completed and pending distribution base rate case proceedings in 2024. See Note 2 — Regulatory Matters of the Combined Notes to Consolidated Financial Statements for additional information.

Completed Distribution Base Rate Case Proceedings

Registrant/Jurisdiction	Filing Date	Service	Requested Revenue Requirement Increase	Approved Revenue Requirement Increase	Approved ROE	Approval Date	Rate Effective Date
ComEd - Illinois	January 17, 2023	Electric	\$ 1,487	\$ 501	8.905%	December 14, 2023	January 1, 2024
			\$ 838	\$ 810	8.905%	April 18, 2024	May 1, 2024
	April 21, 2023	Electric	\$ 247	\$ 259	8.91%	November 30, 2023	January 1, 2024
BGE - Maryland	February 17, 2023	Electric	\$ 313	\$ 179	9.50 %	December 14, 2023	January 1, 2024
		Natural Gas	\$ 289	\$ 229	9.45 %		
Pepco - Maryland	October 26, 2020 (amended March 31, 2021)	Electric	\$ 104	\$ 52	9.55 %	June 28, 2021	June 28, 2021
	May 16, 2023 (amended February 23, 2024)	Electric	\$ 111	\$ 45	9.50 %	June 10, 2024	April 1, 2024
DPL - Maryland	May 19, 2022	Electric	\$ 38	\$ 29	9.60 %	December 14, 2022	January 1, 2023
DPL - Delaware	December 15, 2022 (amended September 29, 2023)	Electric	\$ 39	\$ 28	9.60 %	April 18, 2024	July 15, 2023
ACE - New Jersey	February 15, 2023 (amended August 21, 2023)	Electric	\$ 92	\$ 45	9.60 %	November 17, 2023	December 1, 2023

Pending Distribution Base Rate Case Proceedings

Registrant/Jurisdiction	Filing Date	Service	Requested Revenue Requirement Increase	Requested ROE	Expected Approval Timing
ComEd - Illinois	March 15, 2024 (amended June 20, 2024)	Electric	\$ 682	8.905%	December 2024
	April 26, 2024	Electric	\$ 627	9.89%	December 2024
PECO - Pennsylvania	March 28, 2024	Electric	\$ 464	10.95%	Fourth quarter of 2024
		Natural Gas	\$ 111	11.15%	
Pepco - District of Columbia	April 13, 2023 (amended February 27, 2024)	Electric	\$ 186	10.50 %	Fourth quarter of 2024

Transmission Formula Rates

For 2024, the following total increases/(decreases) were included in the Utility Registrant's electric transmission formula rate updates. See Note 2 — Regulatory Matters of the Combined Notes to Consolidated Financial Statements for additional information.

Registrant	Initial Revenue Requirement Increase	Annual Reconciliation (Decrease) Increase	Total Revenue Requirement Increase	Allowed Return on Rate Base	Allowed ROE
ComEd	\$ 32	\$ (12)	\$ 20	8.14 %	11.50 %
PECO	\$ 2	\$ 3	\$ 5	7.45 %	10.35 %
BGE	\$ 42	\$ 13	\$ 53	7.47 %	10.50 %
Pepco	\$ 58	\$ 15	\$ 73	7.62 %	10.50 %
DPL	\$ 7	\$ 17	\$ 24	7.23 %	10.50 %
ACE	\$ 14	\$ 18	\$ 32	7.11 %	10.50 %

ComEd's FERC Audit

The Utility Registrants are subject to periodic audits and investigations by FERC. FERC's Division of Audits and Accounting initiated a nonpublic audit of ComEd in April 2021 evaluating ComEd's compliance with (1) approved terms, rates and conditions of its federally regulated service; (2) accounting requirements of the Uniform System of Accounts; (3) reporting requirements of the FERC Form 1; and (4) the requirements for record retention. The audit period extends back to January 1, 2017.

On July 27, 2023, FERC issued a final audit report which included, among other things, findings and recommendations related to ComEd's methodology regarding the allocation of certain overhead costs to capitalized construction costs under FERC regulations, including a suggestion that refunds may be due to customers for amounts collected in previous years. On August 28, 2023, ComEd filed a formal notice of the issues it will contest. On December 14, 2023, FERC appointed a settlement judge for the contested overhead allocation findings and set the matter for a trial-type hearing. That hearing process has been held in abeyance while a formal settlement process, which began in February 2024, takes place.

On July 30, 2024, ComEd reached an agreement in principle on the contested overhead allocation finding. As a result of the settlement process, ComEd recorded a charge for the probable disallowance of \$70 million of certain currently capitalized construction costs to operating expenses, which are not expected to be recovered in future rates. The final settlement is subject to FERC approval. The existing estimates of loss have been updated and reflected in Exelon and ComEd financial statements as of June 30, 2024.

Other Key Business Drivers and Management Strategies

The following discussion of other key business drivers and management strategies includes current developments of previously disclosed matters and new issues arising during the period that may impact future financial statements. This section should be read in conjunction with ITEM 1. Business in the 2023 Form 10-K, ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Other Key Business Drivers and Management Strategies in the 2023 Form 10-K, and Note 11 — Commitments and Contingencies of the Combined Notes to Consolidated Financial Statements in this report for additional information on various environmental matters.

Legislative and Regulatory Developments

Infrastructure Investment and Jobs Act

On November 15, 2021, President Biden signed the \$1.2 trillion IIJA into law. IIJA provides for approximately \$550 billion in new federal spending. Categories of funding include funding for a variety of infrastructure needs, including but not limited to: (1) power and grid reliability and resilience, (2) resilience for cybersecurity to address critical infrastructure needs, and (3) electric vehicle charging infrastructure for alternative fuel corridors. Federal agencies are developing guidelines to implement spending programs under IIJA. The time needed to develop these guidelines will vary with some limited program applications opened as early as the first quarter of 2022. The Registrants continue to evaluate programs under the legislation and consider possible opportunities to apply for funding, either directly or in potential collaborations with state and/or local agencies and key stakeholders. The Registrants cannot predict the ultimate timing and success of securing funding from programs under IIJA.

In March 2023, Exelon, ComEd, and PHI submitted three applications related to the Smart Grid Grants program under section 40107 of IIJA. These applications are focused on replacing existing Advanced Distribution Management Systems (ADMS) in support of distributed energy resources (DERs) and grid-edged technologies, strengthening interoperability and data architecture of systems in support of two-way power flows and accelerating advanced metering deployment in disadvantaged communities. In October 2023, ComEd's project, Deployment of a Community-Oriented Interoperable Control Framework for Aggregating and Integrating Distributed Energy Resources and Other Grid-Edge Devices, was recommended by the Grid Deployment Office (GDO) for negotiation of a final award up to \$50 million. This project will enable ComEd and its local partners to deploy the next generation of grid technologies that support the growth of solar and electric vehicles (EVs), while piloting new local workforce training initiatives to support job creation connected to the clean energy transition. The award negotiation process is currently ongoing.

In April 2023, ComEd, PECO, BGE, and PHI submitted seven applications related to the Grid Resilience Grants program under section 40101(c) of IIJA. These applications are broadly focused on improving grid resilience with an emphasis on disadvantaged communities, relief of capacity constraints and modernizing infrastructure, deployment of DER and microgrid technologies and providing improved resilience through storm hardening projects. In October 2023, PECO's project, Creating a Resilient, Equitable, and Accessible Transformation in Energy for Greater Philadelphia (CREATE), was recommended by the GDO for negotiation of a final award up to \$100 million. This project will support critical electric infrastructure investments to help reduce the impact of extreme weather and historic flooding on the Registrants' electric distribution system. The award negotiation process is currently ongoing.

The Registrants are supporting three different Regional Clean Hydrogen Hub opportunities, covering all five states that Exelon operates in plus Washington D.C. under a program that will create networks of hydrogen producers, consumers, and local connective infrastructure to accelerate the use of hydrogen as a clean energy carrier that can deliver or store energy. Applications for the three opportunities under this program were submitted in April 2023. In October 2023 the DOE announced it selected two of the projects for further negotiation: (1) the Mid-Atlantic Clean Hydrogen Hub (MACH2), which is being supported by PECO and PHI, and (2) the Midwest Alliance for Clean Hydrogen (MachH2), which is being supported by ComEd.

In November 2023, the GDO announced up to \$3.9 billion available through the second-round funding opportunity of the Grid Resilience and Innovation Partnerships (GRIP) Program for fiscal years 2024 and 2025. This funding opportunity focuses on projects that will improve electric transmission by increasing funding and advancing interconnection processes for faster build out of energy projects, create comprehensive solutions that link grid communications systems and operations to increase resilience and reduce power outages and threats,

and deploy advanced technologies such as distributed energy resources and battery systems to provide essential grid services to ensure American communities across the country have access to affordable, reliable, clean electricity. In March 2024, Exelon, BGE, PHI, Pepco, DPL, and ACE submitted five applications for Topic Area 2 (Smart Grid Grants). These applications focus on improving resilience of the electric grid and deployment of technologies to enhance grid flexibility and deliver benefits to customers across the Exelon footprint. In April 2024, ACE in coordination with the NJBPU Division of Clean Energy submitted an application for Topic Area 3 (Grid Innovation Program) to expand DER hosting capacity through integrated grid enhancing technologies. The GDO is expected to announce award notification in the second half of 2024. Exelon, BGE, PHI, Pepco, DPL, and ACE cannot predict if their applications will be selected for negotiation of a final award.

PJM Regional Transmission Expansion

On July 11, 2024, BGE submitted an application to the MDPSC for a Certificate of Public Convenience and Necessity for certain overhead transmission system upgrades necessitated due to the planned retirement of the Brandon Shores Generating Station. The total estimated costs of all work by BGE directed by PJM in connection with the retirement of the Brandon Shores Generating Station is approximately \$1.1 billion.

Critical Accounting Policies and Estimates

Management of each of the Registrants makes a number of significant estimates, assumptions, and judgments in the preparation of its financial statements. As of June 30, 2024, the Registrants' critical accounting policies and estimates had not changed significantly from December 31, 2023. See ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Critical Accounting Policies and Estimates in the 2023 Form 10-K for further information.

Results of Operations by Registrant

Results of Operations — ComEd

	Three Months Ended June 30,		Favorable (Unfavorable) Variance	Six Months Ended June 30,		Favorable (Unfavorable) Variance
	2024	2023		2024	2023	
Operating revenues	\$ 2,079	\$ 1,901	\$ 178	\$ 4,174	\$ 3,568	\$ 606
Operating expenses						
Purchased power	763	685	(78)	1,670	1,172	(498)
Operating and maintenance	449	355	(94)	867	692	(175)
Depreciation and amortization	374	350	(24)	737	688	(49)
Taxes other than income taxes	94	88	(6)	188	182	(6)
Total operating expenses	1,680	1,478	(202)	3,462	2,734	(728)
Gain on sales of assets	5	—	5	5	—	5
Operating income	404	423	(19)	717	834	(117)
Other income and (deductions)						
Interest expense, net	(123)	(120)	(3)	(246)	(237)	(9)
Other, net	20	17	3	41	34	7
Total other income and (deductions)	(103)	(103)	—	(205)	(203)	(2)
Income before income taxes	301	320	(19)	512	631	(119)
Income taxes	31	71	40	49	142	93
Net income	\$ 270	\$ 249	\$ 21	\$ 463	\$ 489	\$ (26)

Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023. Net income increased by \$21 million as compared to the same period in 2023, primarily due to timing of distribution earnings, higher transmission peak loads, and higher rate base. These were partially offset by a lower allowed ROE and the absence of a return on the pension asset.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023. Net income decreased by \$26 million as compared to the same period in 2023, primarily due to a lower allowed ROE and the absence of a return on the pension asset. These were partially offset by higher transmission peak loads and higher rate base.

The changes in **Operating revenues** consisted of the following:

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
	Increase	Increase (Decrease)
Distribution	\$ 109	\$ 143
Transmission	55	57
Energy efficiency	10	30
Other	3	(2)
	177	228
Regulatory required programs	1	378
Total increase	\$ 178	\$ 606

Revenue Decoupling. The demand for electricity is affected by weather and customer usage. Operating revenues are not impacted by abnormal weather, usage per customer, or number of customers as a result of revenue decoupling mechanisms.

Distribution Revenue. Distribution revenues were under a performance-based formula rate through 2023. Starting in 2024, distribution revenues are under a MRP. Both the performance-based formula rate and the MRP require annual reconciliations of the revenue requirement in effect to the actual costs the ICC determines are prudently and reasonably incurred with certain limitations for the MRP reconciliations. Electric distribution

revenue varies from year to year based upon fluctuations in the underlying costs, (e.g., severe weather and storm restoration), investments being recovered, and allowed ROE. Electric distribution revenues increased for the three months ended June 30, 2024 as compared to the same period in 2023, primarily due to differences in the timing of distribution earnings and higher rate base, partially offset by lower allowed ROE and the absence of a return on the pension asset. Electric distribution revenues increased for the six months ended June 30, 2024 as compared to the same period in 2023, primarily due to higher fully recoverable costs and higher rate base, partially offset by lower allowed ROE and the absence of a return on the pension asset.

Transmission Revenue. Under a FERC-approved formula, transmission revenue varies from year to year based upon fluctuations in the underlying costs, capital investments being recovered, and the highest daily peak load, which is updated annually in January based on the prior calendar year. Transmission revenues increased for the three months ended June 30, 2024 as compared to the same period in 2023, primarily due to the reclassification of the FERC audit liability, higher peak load, and increases in underlying costs and capital investments. The favorable impacts due to the reclassification of the FERC audit liability are fully offset within Operating and maintenance expenses of the Consolidated Statements of Operations and Comprehensive Income. See Note 2 — Regulatory Matters for additional information regarding the FERC audit liability. Transmission revenues increased for the six months ended June 30, 2024 as compared to the same period in 2023, primarily due to higher peak load and increases in underlying costs and capital investments.

Energy Efficiency Revenue. Energy efficiency revenues are under a performance-based formula rate, which requires an annual reconciliation of the revenue requirement in effect to the actual costs the ICC determines are prudently and reasonably incurred in a given year. Energy efficiency revenue varies from year to year based upon fluctuations in the underlying costs, investments being recovered, and allowed ROE. Energy efficiency revenues increased for the three and six months ended June 30, 2024 as compared to the same periods in 2023, primarily due to increased regulatory asset amortization, which is fully recoverable.

Other Revenue primarily includes assistance provided to other utilities through mutual assistance programs. Other revenues increased for the three months ended June 30, 2024 and decreased for the six months ended June 30, 2024 as compared to the same periods in 2023, which primarily reflects increased and decreased mutual assistance revenues, respectively, associated with storm restoration efforts.

Regulatory Required Programs represents revenues collected under approved riders to recover costs incurred for regulatory programs such as recoveries under the credit loss expense tariff, environmental costs associated with MGP sites, ETAC, and costs related to electricity, ZEC, CMC, and REC procurement. ETAC is a retail customer surcharge collected and remitted to an Illinois state agency for programs to support clean energy jobs and training. The riders are designed to provide full and current cost recovery. The costs of these programs are included in Purchased power expense, Operating and maintenance expense, Depreciation and amortization expense, and Taxes other than income. Customers have the choice to purchase electricity from competitive electric generation suppliers. Customer choice programs do not impact the volume of deliveries as ComEd remains the distribution service provider for all customers and charges a regulated rate for distribution service, which is recorded in Operating revenues. For customers that choose to purchase electric generation from competitive suppliers, ComEd either acts as the billing agent or the competitive supplier separately bills its own customers, and therefore does not record Operating revenues or Purchased power expense related to the electricity. For customers that choose to purchase electric generation from ComEd, ComEd is permitted to recover the electricity, ZEC, CMC, and REC procurement costs without mark-up and therefore records equal and offsetting amounts in Operating revenues and Purchased power expense related to the electricity, ZECs, CMCs, and RECs.

See Note 4 — Segment Information of the Combined Notes to Consolidated Financial Statements for the presentation of ComEd's revenue disaggregation.

The increase in **Purchased power expense** of \$78 million and \$498 million for the three and six months ended June 30, 2024 compared to the same periods in 2023 is offset in Operating revenues as part of regulatory required programs.

The changes in **Operating and maintenance expense** consisted of the following:

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
	Increase (Decrease)	Increase (Decrease)
Labor, other benefits, contracting and materials ^(a)	\$ 27	\$ 72
BSC costs	16	33
Storm-related costs	(3)	2
Pension and non-pension postretirement benefits expense	6	12
Other ^(b)	80	84
	126	203
Regulatory required programs ^(c)	(32)	(28)
Total increase	\$ 94	\$ 175

(a) Primarily reflects an updated rate of capitalization of certain overhead costs.

(b) Primarily reflects the reclassification and increase of the FERC audit liability during the current period and an increase in credit loss expense. See Note 2 — Regulatory Matters for additional information regarding the FERC audit liability.

(c) ConEd is allowed to recover from or refund to customers the difference between its annual credit loss expense and the amounts collected in rates annually through a rider mechanism.

The changes in **Depreciation and amortization expense** consisted of the following:

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
	Increase	Increase
Depreciation and amortization ^(a)	\$ 17	\$ 34
Regulatory asset amortization ^(b)	7	15
Total increase	\$ 24	\$ 49

(a) Reflects ongoing capital expenditures.

(b) Includes amortization of ConEd's energy efficiency formula rate regulatory asset.

Effective income tax rates were 10.3% and 22.2% for the three months ended June 30, 2024 and 2023, respectively, and 9.6% and 22.5% for the six months ended June 30, 2024 and 2023, respectively. See Note 6 — Income Taxes of the Combined Notes to Consolidated Financial Statements for additional information regarding the components of the effective income tax rates.

Results of Operations — PECO

	Three Months Ended June 30,		Favorable (Unfavorable) Variance	Six Months Ended June 30,		Favorable (Unfavorable) Variance
	2024	2023		2024	2023	
Operating revenues	\$ 891	\$ 828	\$ 63	\$ 1,945	\$ 1,940	\$ 5
Operating expenses						
Purchased power and fuel	323	302	(21)	727	786	59
Operating and maintenance	270	239	(31)	563	510	(53)
Depreciation and amortization	107	99	(8)	210	197	(13)
Taxes other than income taxes	52	47	(5)	103	97	(6)
Total operating expenses	752	687	(65)	1,603	1,590	(13)
Gain on sales of assets	2	—	2	4	—	4
Operating income	141	141	(2)	346	350	(4)
Other income and (deductions)						
Interest expense, net	(57)	(48)	(9)	(112)	(97)	(15)
Other, net	9	6	3	18	15	3
Total other income and (deductions)	(48)	(42)	(6)	(94)	(82)	(12)
Income before income taxes	93	99	(6)	252	268	(16)
Income taxes	3	2	(1)	13	5	(8)
Net income	\$ 90	\$ 97	\$ (7)	\$ 239	\$ 263	\$ (24)

Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023. Net income decreased by \$7 million, due to an increase in interest expense, depreciation expense, and credit loss expense, partially offset by an increase in revenue as a result of favorable weather.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023. Net income decreased by \$24 million, due to an increase in storm costs, interest expense, depreciation expense, and credit loss expense, partially offset by an increase in revenue as a result of less unfavorable weather impact relative to the same period last year.

The changes in **Operating revenues** consisted of the following:

	Three Months Ended June 30, 2024			Six Months Ended June 30, 2024		
	Increase (Decrease)			Increase (Decrease)		
	Electric	Gas	Total	Electric	Gas	Total
Weather	\$ 45	\$ 1	\$ 46	\$ 57	\$ 13	\$ 70
Volume	13	(2)	11	9	(4)	5
Pricing	(7)	(3)	(10)	(4)	—	(4)
Transmission	7	—	7	15	—	15
Other	(2)	—	(2)	(6)	(3)	(9)
	56	(4)	52	71	6	77
Regulatory required programs	21	(10)	11	(8)	(64)	(72)
Total increase	\$ 77	\$ (14)	\$ 63	\$ 63	\$ (58)	\$ 5

Weather. The demand for electricity and natural gas is affected by weather conditions. With respect to the electric business, very warm weather in summer months and, with respect to the electric and natural gas businesses, very cold weather in winter months are referred to as “favorable weather conditions” because these weather conditions result in increased deliveries of electricity and natural gas. Conversely, mild weather reduces demand. During the three months ended June 30, 2024 compared to the same period in 2023, Operating revenues related to weather increased due to favorable weather conditions in PECO’s service territory. During the six months ended June 30, 2024 compared to the same period in 2023, Operating revenues related to weather increased due to less unfavorable weather conditions in PECO’s service territory.

Heating and cooling degree-days are quantitative indices that reflect the demand for energy needed to heat or cool a home or business. Normal weather is determined based on historical average heating and cooling degree-days for a 30-year period in PECO's service territory. The changes in heating and cooling degree-days in PECO's service territory for the three and six months ended June 30, 2024 compared to the same period in 2023 and normal weather consisted of the following:

PECO Service Territory	Three Months Ended June 30,		Normal	% Change	
	2024	2023		2024 vs. 2023	2024 vs. Normal
Heating Degree-Days	351	330	421	6.4 %	(16.6)%
Cooling Degree-Days	537	233	391	130.5 %	37.3 %
	Six Months Ended June 30,		Normal	% Change	
	2024	2023		2024 vs. 2023	2024 vs. Normal
Heating Degree-Days	2,440	2,218	2,831	10.0 %	(13.8)%
Cooling Degree-Days	537	233	392	130.5 %	37.0 %

Volume. Electric volume, exclusive of the effects of weather, for the three and six months ended June 30, 2024 compared to the same period in 2023, remained relatively consistent. Natural gas volume for the three and six months ended June 30, 2024 compared to the same period in 2023, remained relatively consistent.

Electric Retail Deliveries to Customers (in GWh)	Three Months Ended June 30,		% Change	Weather - Normal % Change ^(b)	Six Months Ended June 30,		% Change	Weather - Normal % Change ^(b)
	2024	2023			2024	2023		
Residential	3,296	2,694	22.3 %	3.8 %	6,751	6,052	11.5 %	1.0 %
Small commercial & industrial	1,856	1,703	9.0 %	3.5 %	3,747	3,546	5.7 %	0.8 %
Large commercial & industrial	3,408	3,331	2.3 %	(0.9) %	6,763	6,568	3.0 %	0.8 %
Public authorities & electric railroads	135	144	(6.3) %	(6.3) %	314	312	0.6 %	0.9 %
Total electric retail deliveries ^(a)	8,695	7,872	10.5 %	1.7 %	17,575	16,478	6.7 %	0.9 %

Number of Electric Customers	At June 30,	
	2024	2023
Residential	1,533,909	1,529,499
Small commercial & industrial	156,036	155,845
Large commercial & industrial	3,162	3,112
Public authorities & electric railroads	10,712	10,423
Total	1,703,819	1,698,879

(a) Reflects delivery volumes from customers purchasing electricity directly from PECO and customers purchasing electricity from a competitive electric generation supplier as all customers are assessed distribution charges.

(b) Reflects the change in delivery volumes assuming normalized weather based on the historical 30-year average.

Natural Gas Deliveries to Customers (in mmcf)	Three Months Ended June 30,		% Change	Weather - Normal % Change ^(b)	Six Months Ended June 30,		% Change	Weather - Normal % Change ^(b)
	2024	2023			2024	2023		
Residential	4,525	4,373	3.5 %	0.4 %	23,420	21,563	8.6 %	0.6 %
Small commercial & industrial	3,321	3,743	(11.3)%	(12.3)%	12,809	12,442	2.9 %	(3.8)%
Large commercial & industrial	—	6	(100.0)%	(10.7)%	16	35	(54.3)%	(11.6)%
Transportation	5,117	5,190	(1.4)%	(3.5)%	12,016	12,204	(1.5)%	(3.2)%
Total natural gas retail deliveries ^(a)	12,963	13,312	(2.6)%	(4.6)%	48,261	46,244	4.4 %	(1.6)%

Number of Natural Gas Customers	At June 30,	
	2024	2023
Residential	506,193	504,723
Small commercial & industrial	44,697	44,793
Large commercial & industrial	7	10
Transportation	644	642
Total	551,541	550,168

- (a) Reflects delivery volumes from customers purchasing natural gas directly from PECO and customers purchasing natural gas from a competitive natural gas supplier as all customers are assessed distribution charges.
- (b) Reflects the change in delivery volumes assuming normalized weather based on the historical 30-year average.

Pricing for the three and six months ended June 30, 2024 compared to the same period in 2023 remained relatively consistent.

Transmission Revenue. Under a FERC-approved formula, transmission revenue varies from year to year based upon fluctuations in the underlying costs and capital investments being recovered.

Other revenue primarily includes revenue related to late payment charges. Other revenue for the three and six months ended June 30, 2024 compared to the same period in 2023 remained relatively consistent.

Regulatory Required Programs represents revenues collected under approved riders to recover costs incurred for regulatory programs such as energy efficiency, PGC, and the GSA. The riders are designed to provide full and current cost recovery as well as a return. The costs of these programs are included in Purchased power and fuel expense, Operating and maintenance expense, Depreciation and amortization expense, and Income taxes. Customers have the choice to purchase electricity and natural gas from competitive electric generation and natural gas suppliers. Customer choice programs do not impact the volume of deliveries as PECO remains the distribution service provider for all customers and charges a regulated rate for distribution service, which is recorded in Operating revenues. For customers that choose to purchase electric generation or natural gas from competitive suppliers, PECO either acts as the billing agent or the competitive supplier separately bills its own customers and therefore PECO does not record Operating revenues or Purchased power and fuel expense related to the electricity and/or natural gas. For customers that choose to purchase electric generation or natural gas from PECO, PECO is permitted to recover the electricity, natural gas, and REC procurement costs without mark-up and therefore records equal and offsetting amounts in Operating revenues and Purchased power and fuel expense related to the electricity, natural gas, and RECs.

See Note 4 — Segment Information of the Combined Notes to Consolidated Financial Statements for the presentation of PECO's revenue disaggregation.

The increase of \$21 million and decrease of \$59 million for the three and six months ended June 30, 2024 compared to the same period in 2023, in **Purchased power and fuel expense** is offset in Operating revenues as part of regulatory required programs.

The changes in **Operating and maintenance expense** consisted of the following:

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
	Increase (Decrease)	Increase (Decrease)
Credit loss expense	\$ 38	\$ 28
Storm-related costs	(2)	23
BSC costs	7	14
Pension and non-pension postretirement benefit expense	2	4
Labor, other benefits, contracting and materials	(1)	(6)
Other	(4)	1
	40	64
Regulatory required programs	(9)	(11)
Total increase	\$ 31	\$ 53

The changes in **Depreciation and amortization expense** consisted of the following:

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
	Increase	Increase
Depreciation and amortization ^(a)	\$ 8	\$ 13
Regulatory asset amortization	—	—
Total increase	\$ 8	\$ 13

(a) Depreciation and amortization increased primarily due to ongoing capital expenditures.

Interest expense, net increased \$9 million and \$15 million for the three and six months ended June 30, 2024, compared to the same period in 2023, primarily due to an increase in interest rates and the issuance of debt in the second quarter of 2023.

Effective income tax rates were 3.2% and 2.0% for the three months ended June 30, 2024 and 2023, respectively, and 5.2% and 1.9% for the six months ended June 30, 2024 and 2023, respectively. See Note 6 — Income Taxes of the Combined Notes to Consolidated Financial Statements for additional information regarding the components of the effective income tax rates.

Results of Operations — BGE

	Three Months Ended June 30,		Favorable (Unfavorable) Variance	Six Months Ended June 30,		Favorable (Unfavorable) Variance
	2024	2023		2024	2023	
Operating revenues	\$ 928	\$ 797	\$ 131	\$ 2,225	\$ 2,053	\$ 172
Operating expenses						
Purchased power and fuel	343	272	(71)	807	764	(43)
Operating and maintenance	250	198	(52)	514	419	(95)
Depreciation and amortization	162	158	(4)	312	325	13
Taxes other than income taxes	80	76	(4)	169	159	(10)
Total operating expenses	835	704	(131)	1,802	1,667	(135)
Operating income	93	93	—	423	386	37
Other income and (deductions)						
Interest expense, net	(53)	(44)	(9)	(103)	(88)	(15)
Other, net	8	5	3	16	8	8
Total other income and (deductions)	(45)	(39)	(6)	(87)	(80)	(7)
Income before income taxes	48	54	(6)	336	306	30
Income taxes	4	12	8	28	65	37
Net income	\$ 44	\$ 42	\$ 2	\$ 308	\$ 241	\$ 67

Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023. Net income increased \$2 million primarily due to favorable distribution rates, partially offset by an increase in various operating expenses, and an increase in interest expense. See Note 2 — Regulatory Matters of the Combined Notes to Consolidated Financial Statements for additional information on the three-year electric and natural gas distribution multi-year plans.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023. Net income increased \$67 million primarily due to favorable distribution rates, partially offset by an increase in storm costs, an increase in various operating expenses, and an increase in interest expense. See Note 2 — Regulatory Matters of the Combined Notes to Consolidated Financial Statements for additional information on the three-year electric and natural gas distribution multi-year plans.

The changes in **Operating revenues** consisted of the following:

	Three Months Ended June 30, 2024			Six Months Ended June 30, 2024		
	Increase			Increase (Decrease)		
	Electric	Gas	Total	Electric	Gas	Total
Distribution	\$ 21	\$ 17	\$ 38	\$ 44	\$ 60	\$ 104
Transmission	4	—	4	3	—	3
Other	2	—	2	1	(2)	(1)
	27	17	44	48	58	106
Regulatory required programs	82	5	87	131	(65)	66
Total increase (decrease)	\$ 109	\$ 22	\$ 131	\$ 179	\$ (7)	\$ 172

Revenue Decoupling. The demand for electricity and natural gas is affected by weather and customer usage. However, Operating revenues are not impacted by abnormal weather or usage per customer as a result of a monthly rate adjustment that provides for fixed distribution revenue per customer by customer class. While Operating revenues are not impacted by abnormal weather or usage per customer, they are impacted by changes in the number of customers.

	At June 30,	
	2024	2023
Number of Electric Customers		
Residential	1,212,331	1,206,763
Small commercial & industrial	115,384	115,594
Large commercial & industrial	13,156	12,975
Public authorities & electric railroads	260	265
Total	1,341,131	1,335,597
	At June 30,	
	2024	2023
Number of Natural Gas Customers		
Residential	656,690	655,181
Small commercial & industrial	37,859	38,077
Large commercial & industrial	6,340	6,275
Total	700,889	699,533

Distribution Revenue increased for the three and six months ended June 30, 2024, compared to the same period in 2023, due to favorable impacts of the multi-year plans.

Transmission Revenue. Under a FERC-approved formula, transmission revenue varies from year to year based upon fluctuations in the underlying costs and capital investments being recovered. Transmission revenue increased for the three and six months ended June 30, 2024, compared to the same period in 2023, primarily due to increases in underlying costs and capital investments.

Other Revenue includes revenue related to late payment, charges, mutual assistance, off-system sales, and service application fees. Other Revenue remained relatively the same for the three and six months ended June 30, 2024 compared to the same period in 2023.

Regulatory Required Programs represent revenues collected under approved riders to recover costs incurred for regulatory programs such as conservation, demand response, and the POLR mechanism. The riders are designed to provide full and current cost recovery, as well as a return in certain instances. The costs of these programs are included in Purchased power and fuel expense, Operating and maintenance expense, Depreciation and amortization expense, and Taxes other than income taxes. Customers have the choice to purchase electricity and natural gas from competitive electric generation and natural gas suppliers. Customer choice programs do not impact the volume of deliveries as BGE remains the distribution service provider for all customers and charges a regulated rate for distribution service, which is recorded in Operating revenues. For customers that choose to purchase electric generation or natural gas from competitive suppliers, BGE acts as the billing agent and therefore does not record Operating revenues or Purchased power and fuel expense related to the electricity and/or natural gas. For customers that choose to purchase electric generation or natural gas from BGE, BGE is permitted to recover the electricity and natural gas procurement costs from customers and therefore records the amounts related to the electricity and/or natural gas in Operating revenues and Purchased power and fuel expense. BGE recovers electricity and natural gas procurement costs from customers with a slight mark-up.

See Note 4 — Segment Information of the Combined Notes to Consolidated Financial Statements for the presentation of BGE's revenue disaggregation.

The increase of \$71 million and \$43 million for the three and six months ended June 30, 2024 compared to the same period in 2023, in **Purchased power and fuel expense** is fully offset in Operating revenues as part of regulatory required programs.

The changes in **Operating and maintenance expense** consisted of the following:

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
	Increase	Increase
Storm-related costs	—	10
BSC costs	8	14
Credit loss expense	14	8
Labor, other benefits, contracting, and materials	3	—
	25	32
Regulatory required programs ^(a)	27	63
Total increase	\$ 52	\$ 95

(a) Increase due to the cost recovery associated with EnPOWER Maryland. Please refer to 2023 10-K Note 3 — Regulatory Matters for additional information.

The changes in **Depreciation and amortization expense** consisted of the following:

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
	Increase (Decrease)	Increase (Decrease)
Depreciation and amortization	\$ 3	\$ 4
Regulatory required programs ^(a)	(14)	(39)
Regulatory asset amortization	15	22
Total increase (decrease)	\$ 4	\$ (13)

(a) Decrease due to the cost recovery associated with EnPOWER Maryland. Please refer to 2023 10-K Note 3 — Regulatory Matters for additional information.

Interest expense, net increased by \$9 million and \$15 million for the three and six months ended June 30, 2024, respectively compared to the same period in 2023, primarily due to an increase in interest rates and the issuance of debt in the second quarter of 2024 and 2023.

Taxes other than income taxes increased by \$4 million and \$10 million for the three and six months ended June 30, 2024, respectively, compared to the same period in 2023, primarily due to increased property taxes.

Effective income tax rates were 8.3% and 22.2% for the three months ended June 30, 2024 and 2023, respectively, and 8.3% and 21.2% for the six months ended June 30, 2024 and 2023, respectively. See Note 6 — Income Taxes of the Combined Notes to Consolidated Financial Statements for additional information regarding the components of the effective income tax rates.

Results of Operations — PHI

PHI's Results of Operations include the results of its three reportable segments, Pepco, DPL, and ACE. PHI also has a business services subsidiary, PHISCO, which provides a variety of support services, and the costs are directly charged or allocated to the applicable subsidiaries. Additionally, the results of PHI's corporate operations include interest costs from various financing activities. All material intercompany accounts and transactions have been eliminated in consolidation. The following table sets forth PHI's GAAP consolidated Net income, by Registrant, for the three and six months ended June 30, 2024 compared to the same period in 2023. See the Results of Operations for Pepco, DPL, and ACE for additional information.

	Three Months Ended June 30,		Favorable (Unfavorable) Variance	Six Months Ended June 30,		Favorable (Unfavorable) Variance
	2024	2023		2024	2023	
PHI	\$ 158	\$ 103	\$ 55	\$ 326	\$ 258	\$ 68
Pepco	108	64	44	183	130	53
DPL	34	25	9	101	85	16
ACE	21	18	3	50	51	(1)
Other ^(a)	(5)	(4)	(1)	(8)	(8)	—

(a) Primarily includes eliminating and consolidating adjustments, PHI's corporate operations, shared service entities, and other financing and investment activities.

Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023. Net Income increased by \$55 million primarily due to the favorable impacts of the Pepco Maryland multi-year plans including the recognition of the reconciliations, the absence of an increase in environmental liabilities at Pepco, higher ACE and DPL Delaware electric distribution rates, and higher transmission rates at Pepco and DPL, partially offset by increases in depreciation expense and various operating expenses.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023. Net Income increased by \$68 million primarily due to the favorable impacts of the Pepco Maryland multi-year plans including the recognition of the reconciliations, the absence of an increase in environmental liabilities at Pepco, higher ACE and DPL Delaware electric distribution rates, and higher transmission rates at Pepco and DPL, partially offset by increases in interest expense, depreciation expense, and various operating expenses.

Results of Operations — Pepco

	Three Months Ended June 30,		Favorable (Unfavorable) Variance	Six Months Ended June 30,		Favorable (Unfavorable) Variance
	2024	2023		2024	2023	
Operating revenues	\$ 700	\$ 642	\$ 58	\$ 1,459	\$ 1,351	\$ 108
Operating expenses						
Purchased power	234	204	(30)	514	462	(52)
Operating and maintenance	102	140	38	252	290	38
Depreciation and amortization	98	109	11	205	216	11
Taxes other than income taxes	100	88	(12)	203	183	(20)
Total operating expenses	534	541	7	1,174	1,151	(23)
Operating income	166	101	65	285	200	85
Other income and (deductions)						
Interest expense, net	(46)	(43)	(3)	(92)	(81)	(11)
Other, net	16	16	—	32	33	(1)
Total other income and (deductions)	(30)	(27)	(3)	(60)	(48)	(12)
Income before income taxes	136	74	62	225	152	73
Income taxes	28	10	(18)	42	22	(20)
Net income	\$ 108	\$ 64	\$ 44	\$ 183	\$ 130	\$ 53

Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023. Net income increased by \$44 million primarily due to the favorable impacts of the Maryland multi-year plans including the recognition of the reconciliations, the absence of an increase in environmental liabilities, higher transmission rates, and customer growth, partially offset by increases in depreciation expense and interest expense.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023. Net income increased by \$53 million primarily due to the favorable impacts of the Maryland multi-year plans including the recognition of the reconciliations, the absence of an increase in environmental liabilities, higher transmission rates, and customer growth, partially offset by increases in depreciation expense and interest expense.

The changes in **Operating revenues** consisted of the following:

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
	Increase	Increase
Distribution	\$ 7	\$ 16
Transmission	14	24
	21	40
Regulatory required programs	37	68
Total increase	\$ 58	\$ 108

Revenue Decoupling. The demand for electricity is affected by weather and customer usage. However, Operating revenues from electric distribution in both Maryland and the District of Columbia are not impacted by abnormal weather or usage per customer as a result of a BSA that provides for a fixed distribution charge per customer by customer class. While Operating revenues are not impacted by abnormal weather or usage per customer, they are impacted by changes in the number of customers.

Number of Electric Customers	At June 30,	
	2024	2023
Residential	871,009	860,014
Small commercial & industrial	54,080	54,016
Large commercial & industrial	23,057	22,904
Public authorities & electric railroads	207	204
Total	948,353	937,138

Distribution Revenue increased for the three and six months ended June 30, 2024 compared to the same period in 2023 primarily due to favorable impacts of the Maryland multi-year plans and customer growth.

Transmission Revenue. Under a FERC-approved formula, transmission revenue varies from year to year based upon fluctuations in the underlying costs and capital investments being recovered. Transmission revenue increased for the three and six months ended June 30, 2024, compared to the same period in 2023, primarily due to increases in underlying costs and capital investment.

Other Revenue includes rental revenue, revenue related to late payment charges, mutual assistance revenues, and recoveries of other taxes.

Regulatory Required Programs represent revenues collected under approved riders to recover costs incurred for regulatory programs such as energy efficiency programs, DC PLUG, and SOS procurement and administrative costs. The riders are designed to provide full and current cost recovery as well as a return in certain instances. The costs of these programs are included in Purchased power expense, Operating and maintenance expense, Depreciation and amortization expense, and Taxes other than income taxes. Customers have the choice to purchase electricity from competitive electric generation suppliers. Customer choice programs do not impact the volume of deliveries, as Pepco remains the distribution service provider for all customers and charges a regulated rate for distribution service, which is recorded in Operating revenues. For customers that choose to purchase electric generation from competitive suppliers, Pepco acts as the billing agent and therefore, Pepco does not record Operating revenues or Purchased power expense related to the electricity. For customers that choose to purchase electric generation from Pepco, Pepco is permitted to recover the electricity and REC procurement costs from customers and therefore records the amounts related to the electricity and RECs in Operating revenues and Purchased power expense. Pepco recovers electricity and REC procurement costs from customers with a slight mark-up.

See Note 4 — Segment Information of the Combined Notes to Consolidated Financial Statements for the presentation of Pepco's revenue disaggregation.

The increase of \$30 million and \$52 million for the three and six months ended June 30, 2024, respectively, compared to the same period in 2023, in **Purchased power expense** is fully offset in Operating revenues as part of regulatory required programs.

The changes in **Operating and maintenance expense** consisted of the following:

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
	Increase (Decrease)	Increase (Decrease)
BSC and PHISCO costs	\$ 7	\$ 14
Credit loss expense	(7)	(1)
Storm-related costs	(1)	(1)
Pension and non-pension postretirement benefits expense	(1)	(1)
Labor, other benefits, contracting and materials ^(a)	(5)	(28)
Pepco Maryland multi-year plan reconciliations ^(b)	(25)	(25)
Other ^(c)	(21)	(19)
	(53)	(61)
Regulatory required programs ^(d)	15	23
Total decrease	\$ (38)	\$ (38)

(a) Primarily reflects the absence of an increase in environmental liabilities for the six months ended June 30, 2024 compared to the same period in 2023.

(b) See Note 2 — Regulatory Matters for additional information on multi-year plan reconciliations.

(c) Primarily relates to a revenue deferral mechanism approved by the MDPS to capture rate increases attributable to April 1, 2024 through June 30, 2024.

(d) Increase primarily due to the cost recovery associated with ErrPOWER Maryland. Please refer to 2024 10-K Note 2 — Regulatory Matters for additional information.

The changes in **Depreciation and amortization expense** consisted of the following:

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
	Increase (Decrease)	Increase (Decrease)
Depreciation and amortization ^(a)	\$ 6	\$ 12
Regulatory asset amortization	—	—
Regulatory required programs	(17)	(23)
Total decrease	\$ (11)	\$ (11)

(a) Depreciation and amortization increased primarily due to ongoing capital expenditures.

Taxes other than income taxes increased \$12 million and \$20 million for the three and six months ended June 30, 2024, respectively, compared to the same period in 2023, primarily due to increases in utility taxes, which are offset in revenues, and property taxes.

Interest expense, net increased by \$3 million and \$11 million for the three and six months ended June 30, 2024, respectively, compared to the same period in 2023, primarily due to increases in interest rates and the issuance of debt in 2023 and 2024.

Effective income tax rates were 20.6% and 13.5% for the three months ended June 30, 2024 and 2023, respectively, and 18.7% and 14.5% for the six months ended June 30, 2024 and 2023, respectively. See Note 6 — Income Taxes of the Combined Notes to Consolidated Financial Statements for additional information regarding the components of the effective income tax rates.

Results of Operations — DPL

	Three Months Ended June 30,		Favorable (Unfavorable) Variance	Six Months Ended June 30,		Favorable (Unfavorable) Variance
	2024	2023		2024	2023	
Operating revenues	\$ 390	\$ 349	\$ 41	\$ 880	\$ 823	\$ 57
Operating expenses						
Purchased power and fuel	156	139	(17)	370	360	(10)
Operating and maintenance	96	88	(8)	192	175	(17)
Depreciation and amortization	61	60	(1)	122	121	(1)
Taxes other than income taxes	19	18	(1)	39	37	(2)
Total operating expenses	332	305	(27)	723	693	(30)
Operating income	58	44	14	157	130	27
Other income and (deductions)						
Interest expense, net	(24)	(18)	(6)	(46)	(36)	(10)
Other, net	8	4	4	15	8	7
Total other income and (deductions)	(16)	(14)	(2)	(31)	(28)	(3)
Income before income taxes	42	30	12	126	102	24
Income taxes	8	5	(3)	25	17	(8)
Net income	\$ 34	\$ 25	\$ 9	\$ 101	\$ 85	\$ 16

Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023. Net income increased \$9 million primarily due to higher Delaware electric distribution rates, favorable weather conditions at Delaware electric and natural gas service territories, and higher transmission rates, partially offset by an increase in various operating expenses.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023. Net income increased \$16 million primarily due to higher Delaware electric and natural gas distribution rates, favorable weather conditions at Delaware electric and natural gas service territories, and higher transmission rates, partially offset by increases in interest and various operating expenses.

The changes in **Operating revenues** consisted of the following:

	Three Months Ended June 30, 2024			Six Months Ended June 30, 2024		
	Increase (Decrease)			Increase (Decrease)		
	Electric	Gas	Total	Electric	Gas	Total
Weather	\$ 7	\$ 1	\$ 8	\$ 10	\$ 4	\$ 14
Volume	—	—	—	(1)	(1)	(2)
Distribution	12	1	13	22	2	24
Transmission	6	—	6	13	—	13
Other	—	—	—	2	—	2
	25	2	27	46	5	51
Regulatory required programs	17	(3)	14	38	(32)	6
Total increase (decrease)	\$ 42	\$ (1)	\$ 41	\$ 84	\$ (27)	\$ 57

Revenue Decoupling. The demand for electricity is affected by weather and customer usage. However, Operating revenues from electric distribution in Maryland are not impacted by abnormal weather or usage per customer as a result of a BSA that provides for a fixed distribution charge per customer by customer class. While Operating revenues from electric distribution customers in Maryland are not impacted by abnormal weather or usage per customer, they are impacted by changes in the number of customers.

Weather. The demand for electricity and natural gas in Delaware is affected by weather conditions. With respect to the electric business, very warm weather in summer months and, with respect to the electric and natural gas

businesses, very cold weather in winter months are referred to as "favorable weather conditions" because these weather conditions result in increased deliveries of electricity and natural gas. Conversely, mild weather reduces demand. During the three and six months ended June 30, 2024 compared to the same period in 2023, Operating revenues related to weather increased due to favorable weather conditions in Delaware electric and natural gas service territories.

Heating and cooling degree days are quantitative indices that reflect the demand for energy needed to heat or cool a home or business. Normal weather is determined based on historical average heating and cooling degree days for a 20-year period in the Delaware electric service territory and a 30-year period in the Delaware natural gas service territory. The changes in heating and cooling degree days in the Delaware service territory for the three and six months ended June 30, 2024, compared to same period in 2023 and normal weather consisted of the following:

	Three Months Ended June 30,		Normal	% Change	
	2024	2023		2024 vs. 2023	2024 vs. Normal
Delaware Electric Service Territory					
Heating Degree-Days	404	318	450	27.0 %	(10.2)%
Cooling Degree-Days	400	253	340	58.1 %	17.6 %
	Six Months Ended June 30,			% Change	
	2024	2023	Normal	2024 vs. 2023	2024 vs. Normal
Delaware Electric Service Territory					
Heating Degree-Days	2,608	2,269	2,896	14.9 %	(9.9)%
Cooling Degree-Days	400	253	341	58.1 %	17.3 %
	Three Months Ended June 30,			% Change	
	2024	2023	Normal	2024 vs. 2023	2024 vs. Normal
Delaware Natural Gas Service Territory					
Heating Degree-Days	404	318	483	27.0 %	(16.4)%
	Six Months Ended June 30,			% Change	
	2024	2023	Normal	2024 vs. 2023	2024 vs. Normal
Delaware Natural Gas Service Territory					
Heating Degree-Days	2,608	2,269	2,959	14.9 %	(11.9)%

Volume, exclusive of the effects of weather, remained relatively consistent for the three and six months ended June 30, 2024 compared to the same period in 2023, respectively.

Electric Retail Deliveries to Delaware Customers (in GWhs)	Three Months Ended June 30,		% Change	Weather - Normal % Change ^(a)	Six Months Ended June 30,		% Change	Weather - Normal % Change ^(a)
	2024	2023			2024	2023		
Residential	698	610	14.4 %	(1.0) %	1,555	1,407	10.5 %	(0.6)%
Small commercial & industrial	353	349	1.1 %	(4.1) %	691	676	2.2 %	(2.2)%
Large commercial & industrial	756	780	(3.1)%	(5.4) %	1,474	1,500	(1.7)%	(3.3)%
Public authorities & electric railroads	8	8	— %	1.4 %	14	17	(17.6)%	(12.4)%
Total electric retail deliveries ^(a)	1,815	1,747	3.9 %	(-3.5)%	3,734	3,600	3.7 %	(2.0)%

Number of Total Electric Customers (Maryland and Delaware)	At June 30,	
	2024	2023
Residential	488,089	483,760
Small commercial & industrial	64,549	63,913
Large commercial & industrial	1,256	1,234
Public authorities & electric railroads	595	594
Total	554,489	549,501

- (a) Reflects delivery volumes from customers purchasing electricity directly from DPL and customers purchasing electricity from a competitive electric generation supplier as all customers are assessed distribution charges.
- (b) Reflects the change in delivery volumes assuming normalized weather based on the historical 20-year average.

Natural Gas Retail Deliveries to Delaware Customers (in mmcf)	Three Months Ended June 30,			Weather - Normal % Change ^(b)	Six Months Ended June 30,			Weather - Normal % Change ^(b)
	2024	2023	% Change		2024	2023	% Change	
Residential	852	794	7.3 %	(6.7) %	4,764	4,368	9.1 %	(2.3) %
Small commercial & industrial	531	497	6.8 %	(5.4) %	2,244	2,142	4.8 %	(6.5) %
Large commercial & industrial	402	371	8.4 %	8.5 %	834	787	6.0 %	5.8 %
Transportation	1,340	1,328	0.9 %	(1.5) %	3,301	3,231	2.2 %	(1.7) %
Total natural gas deliveries ^(a)	3,125	2,990	4.5 %	(2.7) %	11,143	10,528	5.8 %	(2.5) %

Number of Delaware Natural Gas Customers	At June 30,	
	2024	2023
Residential	130,678	129,538
Small commercial & industrial	10,100	10,060
Large commercial & industrial	14	16
Transportation	163	163
Total	140,955	139,777

- (a) Reflects delivery volumes from customers purchasing natural gas directly from DPL and customers purchasing natural gas from a competitive natural gas supplier as all customers are assessed distribution charges.
- (b) Reflects the change in delivery volumes assuming normalized weather based on the historical 30-year average.

Distribution Revenue increased for the three and six months ended June 30, 2024 compared to the same period in 2023 primarily due to favorable impacts of the higher electric distribution rates in Delaware that became effective July 2023, and higher natural gas DSIC rates in Delaware that became effective in January 2024, partially offset by lower electric DSIC rates in Delaware that became effective in January 2024.

Transmission Revenue. Under a FERC-approved formula, transmission revenue varies from year to year based upon fluctuations in the underlying costs and capital investments being recovered. During the three and six months ended June 30, 2024 compared to the same period in 2023, transmission revenue increased primarily due to increases in underlying costs and capital investment.

Other Revenue includes rental revenue, service connection fees, and mutual assistance revenues.

Regulatory Required Programs represent revenues collected under approved riders to recover costs incurred for regulatory programs such as energy efficiency programs, DE Renewable Portfolio Standards, SOS procurement and administrative costs, and GCR costs. The riders are designed to provide full and current cost recovery as well as a return in certain instances. The costs of these programs are included in Purchased power and fuel expense, Operating and maintenance expense, Depreciation and amortization expense, and Taxes other than income taxes. All customers have the choice to purchase electricity from competitive electric

generation suppliers; however, only certain commercial and industrial customers have the choice to purchase natural gas from competitive natural gas suppliers. Customer choice programs do not impact the volume of deliveries as DPL remains the distribution service provider for all customers and charges a regulated rate for distribution service, which is recorded in Operating revenues. For customers that choose to purchase electric generation or natural gas from competitive suppliers, DPL either acts as the billing agent or the competitive supplier separately bills its own customers, and therefore does not record Operating revenues or Purchased power and fuel expense related to the electricity and/or natural gas. For customers that choose to purchase electric generation or natural gas from DPL, DPL is permitted to recover the electricity, natural gas, and REC procurement costs from customers and therefore records the amounts related to the electricity, natural gas, and RECs in Operating revenues and Purchased power and fuel expense. DPL recovers electricity and REC procurement costs from customers with a slight mark-up, and natural gas costs without mark-up.

See Note 4 — Segment Information of the Combined Notes to Consolidated Financial Statements for the presentation of DPL's revenue disaggregation.

The increase of \$17 million and \$10 million for the three and six months ended June 30, 2024, compared to the same period in 2023, respectively, in **Purchased power and fuel expense** is fully offset in Operating revenues as part of regulatory required programs.

The changes in **Operating and maintenance expense** consisted of the following:

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
	Increase (Decrease)	Increase (Decrease)
BSC and PHISCO costs	\$ 4	\$ 7
Labor and contracting	2	4
Credit loss expense	1	(1)
Pension and non-pension postretirement benefits expense	—	(1)
Storm-related Costs	(2)	5
Other	(1)	(2)
	4	12
Regulatory required programs	4	5
Total increase	\$ 8	\$ 17

The changes in **Depreciation and amortization expense** consisted of the following:

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
	Increase (Decrease)	Increase (Decrease)
Depreciation and amortization ^(a)	\$ 2	\$ 3
Regulatory required programs	(2)	(3)
Regulatory asset amortization	1	1
Total increase	\$ 1	\$ 1

(a) Depreciation and amortization increased primarily due to ongoing capital expenditures.

Interest expense, net increased by \$6 million and \$10 million for the three and six months ended June 30, 2024 compared to the same period in 2023, respectively, primarily due to an increase in interest rates and the issuance of debt in 2023 and 2024.

Other, net increased by \$4 million and \$7 million for the three and six months ended June 30, 2024 compared to the same period in 2023, respectively, primarily due to higher AFUDC equity.

Effective income tax rates were 19.0% and 16.7% for the three months ended June 30, 2024 and 2023, respectively, and 19.8% and 16.7% for the six months ended June 30, 2024 and 2023, respectively. See Note 6 — Income Taxes of the Combined Notes to Consolidated Financial Statements for additional information regarding the components of the effective income tax rates.

Results of Operations — ACE

	Three Months Ended June 30,		Favorable (Unfavorable) Variance	Six Months Ended June 30,		Favorable (Unfavorable) Variance
	2024	2023		2024	2023	
Operating revenues	\$ 383	\$ 317	\$ 66	\$ 740	\$ 670	\$ 70
Operating expenses						
Purchased power	172	124	(48)	312	273	(39)
Operating and maintenance	92	85	(7)	178	165	(13)
Depreciation and amortization	72	68	(4)	146	135	(11)
Taxes other than income taxes	2	3	1	5	4	(1)
Total operating expenses	338	280	(58)	641	577	(64)
Operating income	45	37	8	99	93	6
Other income and (deductions)						
Interest expense, net	(20)	(17)	(3)	(39)	(34)	(5)
Other, net	4	4	—	8	9	(1)
Total other income and (deductions)	(16)	(13)	(3)	(31)	(25)	(6)
Income before income taxes	29	24	5	68	68	—
Income taxes	8	6	(2)	18	17	(1)
Net income	\$ 21	\$ 18	\$ 3	\$ 50	\$ 51	\$ (1)

Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023. Net income increased by \$3 million primarily due to higher distribution rates partially offset by increases in interest expense and depreciation expense.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023. Net income decreased by \$1 million primarily due to increases in depreciation expense and interest expense partially offset by higher distribution rates.

The changes in **Operating revenues** consisted of the following:

	Three Months Ended June 30, 2024 Increase (Decrease)	Six Months Ended June 30, 2024 Increase
Distribution	\$ 18	\$ 29
Transmission	(2)	—
	16	29
Regulatory required programs	50	41
Total increase	\$ 66	\$ 70

Revenue Decoupling. The demand for electricity is affected by weather and customer usage. However, Operating revenues from electric distribution in New Jersey are not impacted by abnormal weather or usage per customer as a result of the CIP which became effective, prospectively, in the third quarter of 2021. The CIP compares current distribution revenues by customer class to approved target revenues established in ACE's most recent distribution base rate case. The CIP is calculated annually, and recovery is subject to certain conditions, including an earnings test and ceilings on customer rate increases. While Operating revenues are not impacted by abnormal weather or usage per customer, they are impacted by changes in the number of customers.

Number of Electric Customers	At June 30,	
	2024	2023
Residential	506,358	503,918
Small commercial & industrial	62,717	62,307
Large commercial & industrial	2,878	3,007
Public authorities & electric railroads	701	727
Total	572,654	569,959

Distribution Revenue increased for the three and six months ended June 30, 2024 compared to the same period in 2023 due to higher distribution rates that became effective December 2023 and the expiration of customer credits related to the TCJA tax benefits.

Transmission Revenues. Under a FERC-approved formula, transmission revenue varies from year to year based upon fluctuations in the underlying costs and capital investments being recovered. Transmission revenue stayed relatively consistent for the three and six months ended June 30, 2024 compared to the same period in 2023.

Other Revenue includes rental revenue, revenue related to late payment charges, mutual assistance revenues, and recoveries of other taxes.

Regulatory Required Programs represent revenues collected under approved riders to recover costs incurred for regulatory programs such as energy efficiency programs, Societal Benefits Charge, Transition Bond Charge, and BGS procurement and administrative costs. The riders are designed to provide full and current cost recovery as well as a return in certain instances. The costs of these programs are included in Purchased power expense, Operating and maintenance expense, Depreciation and amortization expense, and Taxes other than income taxes. Customers have the choice to purchase electricity from competitive electric generation suppliers. Customer choice programs do not impact the volume of deliveries, as ACE remains the distribution service provider for all customers and charges a regulated rate for distribution service, which is recorded in Operating revenues. For customers that choose to purchase electric generation from competitive suppliers, ACE acts as the billing agent and therefore, ACE does not record Operating revenues or Purchased power expense related to the electricity. For customers that choose to purchase electric generation from ACE, ACE is permitted to recover the electricity, ZEC, and REC procurement costs without mark-up and therefore records equal and offsetting amounts in Operating revenues and Purchased power expense related to the electricity, ZECs, and RECs.

See Note 4 — Segment Information of the Combined Notes to Consolidated Financial Statements for the presentation of ACE's revenue disaggregation.

The decrease of \$48 million and \$39 million for the three and six months ended June 30, 2024, respectively, compared to the same period in 2023 in **Purchased power expense** is fully offset in Operating revenues as part of regulatory required programs.

The changes in **Operating and maintenance expense** consisted of the following:

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
	Increase (Decrease)	Increase (Decrease)
BSC and PHISCO costs	\$ 4	\$ 7
Labor and contracting	(2)	(2)
Storm-related costs	2	4
Other	—	1
	4	10
Regulatory required programs ^(a)	3	3
Total increase	\$ 7	\$ 13

(a) ACE is allowed to recover from or refund to customers the difference between its annual credit loss expense and the amounts collected in rates annually through the Societal Benefits Charge.

The changes in **Depreciation and amortization expense** consisted of the following:

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
	Increase (Decrease)	Increase
Depreciation and amortization ^(a)	\$ 4	\$ 8
Regulatory asset amortization	1	3
Regulatory required programs	(1)	—
Total increase	\$ 4	\$ 11

(a) Depreciation and amortization increased primarily due to ongoing capital expenditures.

Interest expense, net increased \$3 million and \$5 million for the three and six months ended June 30, 2024, respectively, compared to the same period in 2023 primarily due to increases in interest rates and the issuance of debt in 2023 and 2024.

Effective income tax rates were 27.6% and 25.0% for the three months ended June 30, 2024 and 2023, respectively, and 26.5% and 25.0% for the six months ended June 30, 2024 and 2023, respectively. See Note 6 — Income Taxes of the Combined Notes to Consolidated Financial Statements for additional information regarding the components of the effective income tax rates.

Liquidity and Capital Resources (All Registrants)

All results included throughout the liquidity and capital resources section are presented on a GAAP basis.

The Registrants' operating and capital expenditures requirements are provided by internally generated cash flows from operations, as well as funds from external sources in the capital markets and through bank borrowings. The Registrants' businesses are capital intensive and require considerable capital resources. Each of the Registrants annually evaluates its financing plan, dividend practices, and credit line sizing, focusing on maintaining its investment grade ratings while meeting its cash needs to fund capital requirements, including construction expenditures, retire debt, pay dividends, and fund pension and OPEB obligations. The Registrants spend a significant amount of cash on capital improvements and construction projects that have a long-term return on investment. Additionally, the Utility Registrants operate in rate-regulated environments in which the amount of new investment recovery may be delayed or limited and where such recovery takes place over an extended period of time. Each Registrant's access to external financing on reasonable terms depends on its credit ratings and current overall capital market business conditions, including that of the utility industry in general. If these conditions deteriorate to the extent that the Registrants no longer have access to the capital markets at reasonable terms, the Registrants have access to credit facilities with aggregate bank commitments of \$4.0 billion. The Registrants utilize their credit facilities to support their commercial paper programs, provide for other short-term borrowings, and to issue letters of credit. See the "Credit Matters and Cash Requirements" section below for additional information. The Registrants expect cash flows to be sufficient to meet operating expenses, financing costs, and capital expenditure requirements. See Note 9 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information on the Registrants' debt and credit agreements.

Cash Flows from Operating Activities

The Utility Registrants' cash flows from operating activities primarily result from the transmission and distribution of electricity and, in the case of PECO, BGE, and DPL, gas distribution services. The Utility Registrants' distribution services are provided to an established and diverse base of retail customers. The Utility Registrants' future cash flows may be affected by the economy, weather conditions, future legislative initiatives, future regulatory proceedings with respect to their rates or operations, and their ability to achieve operating cost reductions. Additionally, ComEd is required to purchase CMCs from participating nuclear-powered generating facilities for a five-year period that began in June 2022, and all of its costs of doing so will be recovered through a rider. The price to be paid for each CMC is established through a competitive bidding process. ComEd will provide net payments to, or collect net payments from, customers for the difference between customer credits issued and the credit to be received from the participating nuclear-powered generating facilities. ComEd's cash flows are affected by the establishment of CMC prices and the timing of recovering costs through the CMC regulatory asset.

See Note 3 — Regulatory Matters of the 2023 Form 10-K and Notes 2 — Regulatory Matters and 11 — Commitments and Contingencies of the Combined Notes to Consolidated Financial Statements for additional information on regulatory and legal proceedings and proposed legislation.

The following table provides a summary of the change in cash flows from operating activities for the six months ended June 30, 2024 and 2023 by Registrant:

Increase (decrease) in cash flows from operating activities	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Net income (loss)	\$ 94	\$ (26)	\$ (24)	\$ 67	\$ 68	\$ 53	\$ 16	\$ (1)
Adjustments to reconcile net income to cash:								
Non-cash operating activities	480	259	46	(4)	24	(39)	18	44
Collateral received (paid), net	200	(13)	—	22	193	26	121	47
Income taxes	(136)	(124)	(75)	(51)	(60)	(44)	(35)	(6)
Pension and non-pension postretirement benefit contributions	(40)	14	(2)	(19)	(64)	3	—	(8)
Regulatory assets and liabilities, net	781	905	(29)	51	(134)	(42)	(51)	(39)
Changes in working capital and other assets and liabilities	(686)	(17)	(221)	(107)	(18)	(8)	—	4
Increase (decrease) in cash flows from operating activities	\$ 693	\$ 998	\$ (305)	\$ (41)	\$ 9	\$ (51)	\$ 69	\$ 41

Changes in the Registrants' cash flows from operations were generally consistent with changes in each Registrant's respective results of operations, as adjusted by changes in working capital in the normal course of business, except as discussed below. Significant operating cash flow impacts for the Registrants for the six months ended June 30, 2024 and 2023 were as follows:

- See Note 14 — Supplemental Financial Information of the Combined Notes to Consolidated Financial Statements and the Registrants' Consolidated Statements of Cash Flows for additional information on **non-cash operating activities**.
- Changes in **collateral** depended upon whether the Registrant was in a net mark-to-market liability or asset position, and collateral may have been required to be posted with or collected from its counterparties. In addition, the collateral posting and collection requirements differed depending on whether the transactions were on an exchange or in the over-the-counter markets. Changes in collateral for the Registrants are dependent upon the credit exposure of procurement contracts that may require suppliers to post collateral. The change in Collateral received (paid), net, when comparing the six month ended June 30, 2024 to the six month ended June 30, 2023, is due to stable energy prices for the current year. See Note 8 — Derivative Financial Instruments for additional information.
- See Note 6 — Income Taxes of the Combined Notes to Consolidated Financial Statements and the Registrants' Consolidated Statements of Cash Flows for additional information on **income taxes**.
- Changes in **Pension and non-pension postretirement benefit contributions** relates to Exelon's increased contributions to the Qualified Plans during the six months ended June 30, 2024. See Note 14 — Retirement Benefits of the 2023 Form 10-K for additional information.
- Changes in **regulatory assets and liabilities, net**, are due to the timing of cash payments for costs recoverable, or cash receipts for costs recovered, under our regulatory mechanisms differs from the recovery period of those costs. Included within the changes is energy efficiency spend for ComEd of \$170 million and \$192 million for the six months ended June 30, 2024 and 2023, respectively. Also included within the changes is energy efficiency and demand response programs spend for BGE, Pepco, DPL and ACE of \$54 million, \$19 million, \$9 million, and \$14 million for the six months ended June 30, 2024 and \$66 million, \$32 million, \$12 million, and \$8 million for the six months ended June 30, 2023, respectively. PECO had no energy efficiency and demand response programs spend recorded to the regulatory asset for the six months ended June 30, 2024 and 2023. See Note 2 — Regulatory Matters of the Combined Notes to Consolidated Financial Statements for additional information.

- **Changes in working capital and other assets and liabilities** for the Utility Registrants and Exelon Corporate totaled \$(349) million and \$(686) million, respectively. The change in working capital and other noncurrent assets and liabilities for Exelon Corporate and the Utility Registrants is dependent upon the normal course of operations for all Registrants. For ComEd, it is also dependent upon whether the participating nuclear-powered generating facilities are owed money from ComEd as a result of the established pricing for CMCs. For the six months ended June 30, 2024, the established pricing resulted in ComEd owing payments to nuclear-powered generating facilities, which is reported within the cash flows from operations as a change in accounts payable and accrued expense.

Cash Flows from Investing Activities

The following table provides a summary of the change in cash flows from investing activities for the six months ended June 30, 2024 and 2023 by Registrant:

Increase (decrease) in cash flows from investing activities	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Capital expenditures	\$ 219	\$ 151	\$ (36)	\$ (12)	\$ 119	\$ 29	\$ (10)	\$ 95
Changes in intercompany money pool	—	—	225	—	—	(57)	(23)	—
Other investing activities	(11)	8	5	5	(8)	(8)	—	—
Increase (decrease) in cash flows from investing activities	\$ 208	\$ 159	\$ 194	\$ (7)	\$ 111	\$ (36)	\$ (33)	\$ 95

Significant investing cash flow impacts for the Registrants for six months ended June 30, 2024 and 2023 were as follows:

- Changes in **capital expenditures** are primarily due to the timing of cash expenditures for capital projects. See the "Credit Matters and Cash Requirements" section below for additional information on projected capital expenditure spending for the Utility Registrants.
- Changes in **intercompany money pool** are driven by short-term borrowing needs. Refer to more information regarding the intercompany money pool below.

Cash Flows from Financing Activities

The following table provides a summary of the change in cash flows from financing activities for the six months ended June 30, 2024 and 2023 by Registrant:

(Decrease) increase in cash flows from financing activities	Exelon	ComEd	PECO	BGE	PHI	Pepco	DPL	ACE
Changes in short-term borrowings, net	\$ 281	\$ (644)	\$ 334	\$ 72	\$ (17)	\$ 167	\$ 52	\$ (236)
Long-term debt, net	(669)	(175)	(525)	400	75	25	50	—
Changes in intercompany money pool	—	—	—	—	(16)	(52)	—	132
Dividends paid on common stock	(44)	(14)	2	(26)	—	(38)	(24)	(8)
Distributions to member	—	—	—	—	(70)	—	—	—
Contributions from parent/member	—	(294)	250	(40)	82	8	55	18
Other financing activities	20	2	4	(1)	—	2	—	—
(Decrease) increase in cash flows from financing activities	\$ (412)	\$ (1,125)	\$ 65	\$ 405	\$ 54	\$ 112	\$ 133	\$ (94)

Significant financing cash flow impacts for the Registrants for the six months ended June 30, 2024 and 2023 were as follows:

- **Changes in short-term borrowings, net**, is driven by repayments on and issuances of notes due in less than 365 days. See Note 9 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information on short-term borrowings for the Registrants.
- **Long-term debt, net**, varies due to debt issuances and redemptions each year. See Note 9 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information on debt issuances. Refer to the debt redemptions table below for additional information.
- **Changes in intercompany money pool** are driven by short-term borrowing needs. Refer below for more information regarding the intercompany money pool.
- Exelon's ability to pay **dividends** on its common stock depends on the receipt of dividends paid by its operating subsidiaries. The payments of dividends to Exelon by its subsidiaries in turn depend on their results of operations and cash flows and other items affecting retained earnings. See Note 18 — Commitments and Contingencies of the 2023 Form 10-K for additional information on dividend restrictions. See below for quarterly dividends declared.

Debt

See Note 9 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information on the Registrants' debt issuances.

During the six months ended June 30, 2024, the following long-term debt was retired and/or redeemed:

Company ^(a)	Type	Interest Rate	Maturity	Amount
Exelon	SMBC Term Loan Agreement	SOFR plus 0.85%	April 8, 2024	\$ 500
Exelon	Software Licensing Agreement	3.62 %	December 1, 2025	\$ 1
Exelon	Software Licensing Agreement	3.95 %	May 1, 2024	\$ 2
Pepco	First Mortgage Bonds	3.60 %	March 15, 2024	\$ 400

(a) DPL repaid \$33 million of its unsecured tax-exempt bonds on the maturity date of July 1, 2024. On August 1, 2024, ComEd redeemed \$250 million of its 3.10% First Mortgage Bonds originally due on November 1, 2024.

Dividends

Quarterly dividends declared by the Exelon Board of Directors during the six months ended June 30, 2024 and for the third quarter of 2024 were as follows:

Period	Declaration Date	Shareholder of Record Date	Dividend Payable Date	Cash per Share ^(a)
First Quarter 2024	February 21, 2024	March 4, 2024	March 15, 2024	\$ 0.3800
Second Quarter 2024	April 30, 2024	May 13, 2024	June 14, 2024	\$ 0.3800
Third Quarter 2024	July 30, 2024	August 12, 2024	September 13, 2024	\$ 0.3800

(a) Exelon's Board of Directors approved an updated dividend policy for 2024. The 2024 quarterly dividend will be \$0.38 per share.

Credit Matters and Cash Requirements

The Registrants fund liquidity needs for capital investment, working capital, energy hedging, and other financial commitments through cash flows from continuing operations, public debt offerings, commercial paper markets, and large, diversified credit facilities. The credit facilities include \$4.0 billion in aggregate total commitments of which \$3.0 billion was available to support additional commercial paper as of June 30, 2024, and of which no financial institution has more than 6% of the aggregate commitments for the Registrants. The Registrants had

access to the commercial paper markets and had availability under their revolving credit facilities during the six months ended June 30, 2024 to fund their short-term liquidity needs, when necessary. Exelon Corporate and the Utility Registrants each have a 5-year revolving credit facility. See Note 9 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information. The Registrants routinely review the sufficiency of their liquidity position, including appropriate sizing of credit facility commitments, by performing various stress test scenarios, such as commodity price movements, increases in margin-related transactions, changes in hedging levels, and the impacts of hypothetical credit downgrades. The Registrants have continued to closely monitor events in the financial markets and the financial institutions associated with the credit facilities, including monitoring credit ratings and outlooks, credit default swap levels, capital raising, and merger activity. See PART I. ITEM 1A. RISK FACTORS of the 2023 Form 10-K for additional information regarding the effects of uncertainty in the capital and credit markets.

The Registrants believe their cash flows from operating activities, access to credit markets, and their credit facilities provide sufficient liquidity to support the estimated future cash requirements.

On August 4, 2022, Exelon executed an equity distribution agreement (“Equity Distribution Agreement”) with certain sales agents and forward sellers and certain forward purchasers establishing an ATM equity distribution program under which it may offer and sell shares of its common stock, having an aggregate gross sales price of up to \$1.0 billion. Exelon has no obligation to offer or sell any shares of common stock under the Equity Distribution Agreement and may at any time suspend or terminate offers and sales under the Equity Distribution Agreement. As of June 30, 2024, \$858 million of Common stock remained available for sale pursuant to the ATM program.

The following table presents the incremental collateral that each Utility Registrant would have been required to provide in the event each Utility Registrant lost its investment grade credit rating at June 30, 2024 and available credit facility capacity prior to any incremental collateral at June 30, 2024:

	PJM Credit Policy Collateral	Other Incremental Collateral Required ^(a)	Available Credit Facility Capacity Prior to Any Incremental Collateral
ComEd	\$ —	\$ —	\$ 912
PECO	—	27	339
BGE	—	43	594
Pepco	—	—	300
DPL	—	10	300
ACE	—	—	300

(a) Represents incremental collateral related to natural gas procurement contracts.

Capital Expenditure Spending

As of June 30, 2024, the most recent estimates of capital expenditures for plant additions and improvements for 2024 are as follows:

(In millions)	Transmission	Distribution	Gas	Total ^(a)
Exelon	N/A	N/A	N/A	\$ 7,425
ComEd	450	1,700	N/A	2,150
PECO	75	1,225	400	1,700
BGE	450	650	500	1,600
PHI	550	1,325	100	1,975
Pepco	225	750	N/A	975
DPL	200	300	100	625
ACE	125	275	N/A	400

(a) Numbers rounded to the nearest \$25M and may not sum due to rounding.

Projected capital expenditures and other investments are subject to periodic review and revision to reflect changes in economic conditions and other factors.

Retirement Benefits

Management considers various factors when making pension funding decisions, including actuarially determined minimum contribution requirements under ERISA, contributions required to avoid benefit restrictions and at-risk status as defined by the Pension Protection Act of 2006 (the Act), management of the pension obligation, and regulatory implications. The Act requires the attainment of certain funding levels to avoid benefit restrictions (such as an inability to pay lump sums or to accrue benefits prospectively), and at-risk status (which triggers higher minimum contribution requirements and participant notification). The projected contributions reflect a funding strategy to make annual contributions with the objective of achieving 100% funded status on an ABO basis over time. This funding strategy helps minimize volatility of future period required pension contributions. Exelon's estimated annual qualified pension contributions will be \$93 million in 2024. Unlike the qualified pension plans, Exelon's non-qualified pension plans are not funded, given that they are not subject to statutory minimum contribution requirements.

While OPEB plans are also not subject to statutory minimum contribution requirements, Exelon does fund certain of its plans. For Exelon's funded OPEB plans, contributions generally equal accounting costs, however, Exelon's management has historically considered several factors in determining the level of contributions to its OPEB plans, including liabilities management, levels of benefit claims paid, and regulatory implications (amounts deemed prudent to meet regulatory expectations and best assure continued rate recovery).

To the extent interest rates decline significantly or the pension and OPEB plans earn less than the expected asset returns, annual pension contribution requirements in future years could increase. Conversely, to the extent interest rates increase significantly or the pension and OPEB plans earn greater than the expected asset returns, annual pension and OPEB contribution requirements in future years could decrease. Additionally, expected contributions could change if Exelon changes its pension or OPEB funding strategy.

See Note 14 — Retirement Benefits of the Combined Notes to Consolidated Financial Statements of the 2023 Form 10-K for additional information on pension and OPEB contributions.

Credit Facilities

Exelon Corporate, ComEd, and BGE meet their short-term liquidity requirements primarily through the issuance of commercial paper. PECO meets its short-term liquidity requirements primarily through the issuance of commercial paper and borrowings from the Exelon intercompany money pool. Pepco, DPL, and ACE meet their short-term liquidity requirements primarily through the issuance of commercial paper and borrowings from the PHI intercompany money pool. PHI Corporate meets its short-term liquidity requirements primarily through the issuance of short-term notes and the Exelon intercompany money pool. The Registrants may use their respective credit facilities for general corporate purposes, including meeting short-term funding requirements and the issuance of letters of credit.

See Note 9 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information on the Registrants' credit facilities and short term borrowing activity.

Security Ratings

The Registrants' access to the capital markets, including the commercial paper market, and their respective financing costs in those markets, may depend on the securities ratings of the entity that is accessing the capital markets.

The Registrants' borrowings are not subject to default or prepayment as a result of a downgrading of securities, although such a downgrading of a Registrant's securities could increase fees and interest charges under that Registrant's credit agreements.

As part of the normal course of business, the Registrants enter into contracts that contain express provisions or otherwise permit the Registrants and their counterparties to demand adequate assurance of future performance when there are reasonable grounds for doing so. In accordance with the contracts and applicable contracts law, if the Registrants are downgraded by a credit rating agency, it is possible that a counterparty would attempt to rely

on such a downgrade as a basis for making a demand for adequate assurance of future performance, which could include the posting of collateral. See Note 8 — Derivative Financial Instruments of the Combined Notes to Consolidated Financial Statements for additional information on collateral provisions.

The credit ratings for the Registrants did not change for the six months ended June 30, 2024.

Intercompany Money Pool

To provide an additional short-term borrowing option that will generally be more favorable to the borrowing participants than the cost of external financing, both Exelon and PHI operate an intercompany money pool. Maximum amounts contributed to and borrowed from the money pool by participant and the net contribution or borrowing as of June 30, 2024, are presented in the following table:

	During the Six Months Ended June 30, 2024		At June 30, 2024
	Maximum Contributed	Maximum Borrowed	Contributed (Borrowed)
Exelon Intercompany Money Pool			
Exelon Corporate	\$ 626	\$ —	\$ 321
PECO	55	(255)	—
BSC	—	(420)	(309)
PHI Corporate	—	(86)	(57)
PCI	45	—	45
PHI Intercompany Money Pool			
	During the Six Months Ended June 30, 2024		At June 30, 2024
	Maximum Contributed	Maximum Borrowed	Contributed (Borrowed)
Pepco	\$ 171	\$ —	\$ 57
DPL	130	(33)	125
ACE	—	(197)	(182)

Shelf Registration Statements

As of January 1st, 2024 Exelon and the Utility Registrants had an effective combined shelf registration statement, unlimited in amount ("Legacy Registration Statement"). On February 20, 2024, Exelon Corporation filed with the SEC Post-Effective Amendment 1 to its Legacy Registration Statement to remove and withdraw registration of all registered securities of ACE, DPL, PECO and BGE.

On February 21, 2024, Exelon Corporation, together with Pepco and ComEd as co-registrants, filed with the SEC Post-Effective Amendment 2 to its Legacy Registration Statement. Post-Effective Amendment 2 amends the Legacy Registration Statement to include an authorized limit of \$7,200 million, which can be used to issue Exelon Corporation debt securities and equity securities, as well as Pepco and ComEd debt securities, through the expiration date of August 3, 2025. The amended Legacy Registration Statement was declared effective by the SEC on April 30, 2024. On February 21, 2024, PECO and BGE filed with the SEC a standalone automatically effective shelf registration statement, unlimited in amount, which can be used to issue PECO and BGE debt securities through the expiration date of February 20, 2027. The ability of Exelon Corporation, ComEd, Pepco, PECO and BGE to sell securities off their corresponding registration Statements, or to access the private placement markets, will depend on a number of factors at the time of the proposed sale, including other required regulatory approvals, as applicable, the current financial condition of the Registrant, its securities ratings and market conditions.

As a result of Post-Effect Amendment 1, DPL and ACE filed to deregister all securities that remain unsold. DPL and ACE periodically issue securities through the private placement markets. DPL and ACE's ability to access the private placement markets will depend on a number of factors at the time of the proposed sale, including other required regulatory approvals, as applicable, current financial condition, securities ratings and market conditions.

Regulatory Authorizations

The Utility Registrants are required to obtain short-term and long-term financing authority from Federal and State Commissions as follows:

At June 30, 2024						
	Short-term Financing Authority			Remaining Long-term Financing Authority		
	Commission	Expiration Date	Amount	Commission	Expiration Date	Amount
ComEd ^(a)	FERC	December 31, 2025	\$ 2,500	ICC	January 1, 2027 & May 1, 2027	\$ 2,318
PECO	FERC	December 31, 2025	1,500	PAPUC	December 31, 2024	550
BGE	FERC	December 31, 2025	700	MDPSC	N/A	300
Pepco ^(b)	FERC	December 31, 2025	500	MDPSC / DCPSC	December 31, 2025	375
DPL ^(b)	FERC	December 31, 2025	500	MDPSC / DEPSC	December 31, 2025	375
ACE ^(c)	NJBPU	December 31, 2025	350	NJBPU	December 31, 2024	550

(a) ComEd had \$500 million available in long-term debt refinancing authority and \$1.8 billion available in new money long-term debt financing authority from the ICC as of June 30, 2024. The financing authorities have an expiration date of May 1, 2027 and January 1, 2027, respectively.

(b) The financing authority filed with MDPSC does not have an expiration date, while the financing authority filed with DCPSC and DEPSC have an expiration date of December 31, 2025.

(c) On June 24, 2024, ACE filed an application with the NJBPU for renewal of their long-term financing authority through December 31, 2026. ACE expects approval of their application by December 31, 2024.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Registrants hold commodity and financial instruments that are exposed to the following market risks:

- Commodity price risk, which is discussed further below.
- Counterparty credit risk associated with non-performance by counterparties on executed derivative instruments and participation in all, or some of the established, wholesale spot energy markets that are administered by PJM. The credit policies of PJM may, under certain circumstances, require that losses arising from the default of one member on spot energy market transactions be shared by the remaining participants. See Note 8 — Derivative Financial Instruments of the Combined Notes to Consolidated Financial Statements for a detailed discussion of counterparty credit risk related to derivative instruments.
- Equity price and interest rate risk associated with Exelon's pension and OPEB plan trusts. See Note 7 — Retirement Benefits of the 2023 Form 10-K for additional information.
- Interest rate risk associated with changes in interest rates for the Registrants' outstanding long-term debt. This risk is significantly reduced as substantially all of the Registrants' outstanding debt has fixed interest rates. There is inherent interest rate risk related to refinancing maturing debt by issuing new long-term debt. The Registrants use a combination of fixed-rate and variable-rate debt to manage interest rate exposure. See Note 9 — Debt and Credit Agreements of the Combined Notes to Consolidated Financial Statements for additional information. In addition, Exelon may utilize interest rate derivatives to lock in rate levels in anticipation of future financings, which are typically designated as cash flow hedges, or to lock in rate levels on borrowings, which are typically designated as economic hedges. See Note 8 — Derivative Financial Instruments of the Combined Notes to Consolidated Financial Statements for additional information.

The Registrants operate primarily under cost-based rate regulation limiting exposure to the effects of market risk. Hedging programs are utilized to reduce exposure to energy and natural gas price volatility and have no direct earnings impacts as the costs are fully recovered through regulatory-approved recovery mechanisms.

Exelon manages these risks through risk management policies and objectives for risk assessment, control and valuation, counterparty credit approval, and the monitoring and reporting of risk exposures. Risk management issues are reported to Exelon's Executive Committee, the Risk Management Committees of each Utility Registrant, and the Audit and Risk Committee of Exelon's Board of Directors.

Commodity Price Risk

Commodity price risk is associated with price movements resulting from changes in supply and demand, fuel costs, market liquidity, weather conditions, governmental regulatory and environmental policies, and other factors. To the extent the total amount of energy Exelon purchases differs from the amount of energy it has contracted to sell, Exelon is exposed to market fluctuations in commodity prices. Exelon seeks to mitigate its commodity price risk through the sale and purchase of electricity and natural gas.

ComEd entered into 20-year floating-to-fixed renewable energy swap contracts beginning in June 2012, which are considered an economic hedge and have changes in fair value recorded to an offsetting regulatory asset or liability. ComEd has block energy contracts to procure electric supply that are executed through a competitive procurement process, which are considered derivatives and qualify for NPNS, and as a result are accounted for on an accrual basis of accounting. PECO, BGE, Pepco, DPL, and ACE have contracts to procure electric supply that are executed through a competitive procurement process. PECO, BGE, Pepco, DPL, and ACE have certain full requirements contracts, which are considered derivatives and qualify for NPNS, and as a result are accounted for on an accrual basis of accounting. Other full requirements contracts are not derivatives.

PECO, BGE, and DPL also have executed derivative natural gas contracts, which qualify for NPNS, to hedge their long-term price risk in the natural gas market. The hedging programs for natural gas procurement have no direct impact on their financial statements.

For additional information on these contracts, see Note 8 — Derivative Financial Instruments and Note 10 — Fair Value of Financial Assets and Liabilities of the Combined Notes to Consolidated Financial Statements.

The following table presents the maturity and source of fair value for Exelon's and ComEd's mark-to-market commodity contract net liabilities. These net liabilities are associated with ComEd's floating-to-fixed energy swap contracts with unaffiliated suppliers. The table provides two fundamental pieces of information. First, the table provides the source of fair value used in determining the carrying amount of Exelon's and ComEd's total mark-to-market net liabilities. Second, the table shows the maturity, by year, of Exelon's and ComEd's commodity contract net liabilities giving an indication of when these mark-to-market amounts will settle and either generate or require cash. See Note 10 — Fair Value of Financial Assets and Liabilities of the Combined Notes to Consolidated Financial Statements for additional information regarding fair value measurements and the fair value hierarchy.

Commodity derivative contracts ^(a) :	Maturities Within						Total Fair Value
	2024	2025	2026	2027	2028	2029 and Beyond	
Prices based on model or other valuation methods (Level 3)	\$ (12)	\$ (21)	\$ (19)	\$ (18)	\$ (18)	\$ (51)	\$ (139)

(a) Represents ComEd's net liabilities associated with the floating-to-fixed energy swap contracts with unaffiliated suppliers.

ITEM 4. CONTROLS AND PROCEDURES

During the second quarter of 2024, each of the Registrants' management, including its principal executive officer and principal financial officer, evaluated its disclosure controls and procedures related to the recording, processing, summarizing, and reporting of information in its periodic reports that it files with the SEC. These disclosure controls and procedures have been designed by the Registrants to ensure that (a) material information relating to that Registrant, including its consolidated subsidiaries, is accumulated and made known to that Registrant's management, including its principal executive officer and principal financial officer, by other employees of that Registrant and its subsidiaries as appropriate to allow timely decisions regarding required disclosure, and (b) this information is recorded, processed, summarized, evaluated, and reported, as applicable, within the time periods specified in the SEC's rules and forms. Due to the inherent limitations of control systems, not all misstatements may be detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls could be circumvented by the individual acts of some persons or by collusion of two or more people.

Accordingly, as of June 30, 2024, the principal executive officer and principal financial officer of each of the Registrants concluded that such Registrant's disclosure controls and procedures were effective to accomplish its objectives. The Registrants continually strive to improve their disclosure controls and procedures to enhance the quality of its financial reporting and to maintain dynamic systems that change as conditions warrant. In the first quarter of 2024, ComEd and PECO implemented a new customer care and billing information system replacing the existing system. ComEd and PECO expect the new system to further automate, enhance and standardize the processes by which they engage with their customers. As part of this system implementation, ComEd and PECO appropriately considered the impacts to internal controls over financial reporting. There were no other changes in internal control over financial reporting that occurred during the three and six months ended June 30, 2024, that have materially affected, or are reasonably likely to materially affect, any of the Registrants' internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Registrants are parties to various lawsuits and regulatory proceedings in the ordinary course of their respective businesses. For information regarding material lawsuits and proceedings, see (a) ITEM 3. LEGAL PROCEEDINGS of the 2023 Form 10-K, (b) Notes 3 — Regulatory Matters and 18 — Commitments and Contingencies of the 2023 Form 10-K, and (c) Notes 2 — Regulatory Matters and 11 — Commitments and Contingencies of the Combined Notes to Consolidated Financial Statements in PART I, ITEM 1. FINANCIAL STATEMENTS of this Report. Such descriptions are incorporated herein by these references.

ITEM 1A. RISK FACTORS

Risks Related to All Registrants

At June 30, 2024, the Registrants' risk factors were consistent with the risk factors described in the Registrants' combined 2023 Form 10-K in ITEM 1A RISK FACTORS.

ITEM 5. OTHER INFORMATION

All Registrants

None.

ITEM 6. EXHIBITS

Certain of the following exhibits are incorporated herein by reference under Rule 12b-32 of the Securities and Exchange Act of 1934, as amended. Certain other instruments which would otherwise be required to be listed below have not been so listed because such instruments do not authorize securities in an amount which exceeds 10% of the total assets of the applicable Registrant and its subsidiaries on a consolidated basis and the relevant. Registrant agrees to furnish a copy of any such instrument to the Commission upon request.

(3) Recently Amended Articles and Bylaws

Exelon Corporation

Exhibit No.	Description	Location
3-1	Amended and Restated Articles of Incorporation of Exelon Corporation, as amended April 30, 2024	Filed herewithin.
3-2	Amended and Restated Bylaws of Exelon Corporation, as amended on April 30, 2024	Filed herewithin.

(4) Instruments Defining the Rights of Securities Holders, Including Indentures

Baltimore Gas and Electric Company

Exhibit No.	Description	Location
4-1	Form of 5.300% Note due June 1, 2034 issued June 6, 2024 by Baltimore Gas and Electric Company	File No. 001-01910, Form 8-K dated June 6, 2024, Exhibit 4.1
4-2	Form of 5.650% Note due June 1, 2054 issued June 6, 2024 by Baltimore Gas and Electric Company	File No. 001-01910, Form 8-K dated June 6, 2024, Exhibit 4.2

Commonwealth Edison Company

Exhibit No.	Description	Location
4-3	Supplemental Indenture to Commonwealth Edison Company Mortgage dated as of May 1, 2024	File No. 001-01839, Form 8-K dated May 13, 2024, Exhibit 4.1

Certifications Pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 filed by the following officers for the following companies:

[Table of Contents](#)

Exelon Corporation

Exhibit No.	Description
31-1	Filed by Calvin G. Butler, Jr. for Exelon Corporation
31-2	Filed by Jeanne M. Jones for Exelon Corporation

Commonwealth Edison Company

Exhibit No.	Description
31-3	Filed by Gil C. Quiniones for Commonwealth Edison Company
31-4	Filed by Joshua S. Levin for Commonwealth Edison Company

PECO Energy Company

Exhibit No.	Description
31-5	Filed by David M. Velazquez for PECO Energy Company
31-6	Filed by Marissa E. Humphrey for PECO Energy Company

Baltimore Gas and Electric Company

Exhibit No.	Description
31-7	Filed by Carim V. Khouzami for Baltimore Gas and Electric Company
31-8	Filed by Michael J. Cloyd for Baltimore Gas and Electric Company

Pepco Holdings LLC

Exhibit No.	Description
31-9	Filed by J. Tyler Anthony for Pepco Holdings LLC
31-10	Filed by David M. Vahos for Pepco Holdings LLC

Potomac Electric Power Company

Exhibit No.	Description
31-11	Filed by J. Tyler Anthony for Potomac Electric Power Company
31-12	Filed by David M. Vahos for Potomac Electric Power Company

Delmarva Power & Light Company

Exhibit No.	Description
31-13	Filed by J. Tyler Anthony for Delmarva Power & Light Company
31-14	Filed by David M. Vahos for Delmarva Power & Light Company

Atlantic City Electric Company

Exhibit No.	Description
31-15	Filed by J. Tyler Anthony for Atlantic City Electric Company
31-16	Filed by David M. Vahos for Atlantic City Electric Company

Certifications Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code (Sarbanes-Oxley Act of 2002) as to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 filed by the following officers for the following companies:

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32-14	Filed by David M. Vahos for Delmarva Power & Light Company

Atlantic City Electric Company

Exhibit No.	Description
32-15	Filed by J. Tyler Anthony for Atlantic City Electric Company
32-16	Filed by David M. Vahos for Atlantic City Electric Company

101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EXELON CORPORATION

<div>/s/ CALVIN G. BUTLER, JR.</div> <div>Calvin G. Butler, Jr. President, Chief Executive Officer (Principal Executive Officer) and Director</div>	<div>/s/ JEANNE M. JONES</div> <div>Jeanne M. Jones Executive Vice President and Chief Financial Officer (Principal Financial Officer)</div>
<div>/s/ ROBERT A. KLECZYNSKI</div> <div>Robert A. Kleczynski Senior Vice President, Corporate Controller and Tax (Principal Accounting Officer)</div>	

August 1, 2024

Pursuant to requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COMMONWEALTH EDISON COMPANY

<div>/s/ GIL C. QUINIONES</div> <div>Gil C. Quiniones</div> <div>President, Chief Executive Officer</div> <div>(Principal Executive Officer) and Director</div>	<div>/s/ JOSHUA S. LEVIN</div> <div>Joshua S. Levin</div> <div>Senior Vice President, Chief Financial Officer and Treasurer</div> <div>(Principal Financial Officer)</div>
<div>/s/ STEVEN J. CICHOCKI</div> <div>Steven J. Cichocki</div> <div>Director, Accounting</div> <div>(Principal Accounting Officer)</div>	

August 1, 2024

Pursuant to requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PECO ENERGY COMPANY

<div>/s/ DAVID M. VELAZQUEZ</div> <div>David M. Velazquez</div> <div>President, Chief Executive Officer (Principal Executive Officer) and Director</div>	<div>/s/ MARISSAE. HUMPHREY</div> <div>Marissa E. Humphrey</div> <div>Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)</div>
<div>/s/ CAROLINE FULGINITI</div> <div>Caroline Fulginiti</div> <div>Director, Accounting (Principal Accounting Officer)</div>	

August 1, 2024

Pursuant to requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BALTIMORE GAS AND ELECTRIC COMPANY

<div>/s/ CARIM V. KHOUZAMI</div> <div>Carim V. Khouzami</div> <div>President, Chief Executive Officer</div> <div>(Principal Executive Officer) and Director</div>	<div>/s/ MICHAEL J. CLOYD</div> <div>Michael J. Cloyd</div> <div>Vice President, Chief Financial Officer and Treasurer</div> <div>(Principal Financial Officer)</div>
<div>/s/ JASON T. JONES</div> <div>Jason T. Jones</div> <div>Director, Accounting</div> <div>(Principal Accounting Officer)</div>	

August 1, 2024

Pursuant to requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PEPCO HOLDINGS LLC	
<hr/>	<hr/>
/s/ J. TYLER ANTHONY	/s/ DAVID M. VAHOS
J. Tyler Anthony	David M. Vahos
President, Chief Executive Officer (Principal Executive Officer) and Director	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
<hr/>	
/s/ JULIE E. GIESE	
Julie E. Giese	
Director, Accounting (Principal Accounting Officer)	

August 1, 2024

Pursuant to requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

POTOMAC ELECTRIC POWER COMPANY

<div>/s/ J. TYLER ANTHONY</div> <div>J. Tyler Anthony</div> <div>President, Chief Executive Officer</div> <div>(Principal Executive Officer) and Director</div>	<div>/s/ DAVID M. VAHOS</div> <div>David M. Vahos</div> <div>Senior Vice President, Chief Financial Officer and Treasurer</div> <div>(Principal Financial Officer)</div>
<div>/s/ JULIE E. GIESE</div> <div>Julie E. Giese</div> <div>Director, Accounting</div> <div>(Principal Accounting Officer)</div>	

August 1, 2024

Pursuant to requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DELMARVA POWER & LIGHT COMPANY

<u>/s/ J. TYLER ANTHONY</u> J. Tyler Anthony President, Chief Executive Officer (Principal Executive Officer) and Director	<u>/s/ DAVID M. VAHOS</u> David M. Vahos Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
<u>/s/ JULIE E. GIESE</u> Julie E. Giese Director, Accounting (Principal Accounting Officer)	

August 1, 2024

Pursuant to requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ATLANTIC CITY ELECTRIC COMPANY

<div>/s/ J. TYLER ANTHONY</div> <div>J. Tyler Anthony</div> <div>President, Chief Executive Officer</div> <div>(Principal Executive Officer) and Director</div>	<div>/s/ DAVID M. VAHOS</div> <div>David M. Vahos</div> <div>Senior Vice President, Chief Financial Officer and Treasurer</div> <div>(Principal Financial Officer)</div>
<div>/s/ JULIE E. GIESE</div> <div>Julie E. Giese</div> <div>Director, Accounting</div> <div>(Principal Accounting Officer)</div>	

August 1, 2024