

EXELON GENERATION CO LLC

Form 10-Q

August 09, 2012

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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, 2012

or

**Transition Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934**

Commission File Number	Name of Registrant; State of Incorporation; Address of Principal Executive Offices; and Telephone Number	IRS Employer Identification Number
1-16169	EXELON CORPORATION (a Pennsylvania corporation) 10 South Dearborn Street P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-7398	23-2990190
333-85496	EXELON GENERATION COMPANY, LLC (a Pennsylvania limited liability company) 300 Exelon Way Kennett Square, Pennsylvania 19348-2473 (610) 765-5959	23-3064219

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1-1839	<p>COMMONWEALTH EDISON COMPANY (an Illinois corporation)</p> <p>440 South LaSalle Street</p> <p>Chicago, Illinois 60605-1028</p> <p>(312) 394-4321</p>	36-0938600
000-16844	<p>PECO ENERGY COMPANY (a Pennsylvania corporation)</p> <p>P.O. Box 8699</p> <p>2301 Market Street</p> <p>Philadelphia, Pennsylvania 19101-8699</p> <p>(215) 841-4000</p>	23-0970240
1-1910	<p>BALTIMORE GAS AND ELECTRIC COMPANY (a Maryland corporation)</p> <p>2 Center Plaza</p> <p>110 West Fayette Street</p> <p>Baltimore, Maryland 21201-3708</p> <p>(410) 234-5000</p>	52-0280210

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

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

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

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	Large Accelerated Filer	Accelerated Filer	Non-accelerated Filer	Smaller Reporting Company
Exelon Corporation	<input checked="" type="checkbox"/>			
Exelon Generation Company, LLC			<input checked="" type="checkbox"/>	
Commonwealth Edison Company			<input checked="" type="checkbox"/>	
PECO Energy Company			<input checked="" type="checkbox"/>	
Baltimore Gas and Electric Company			<input checked="" type="checkbox"/>	
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>				

The number of shares outstanding of each registrant's common stock as of June 30, 2012 was:

Exelon Corporation Common Stock, without par value	853,573,260
Exelon Generation Company, LLC	not applicable
Commonwealth Edison Company Common Stock, \$12.50 par value	127,016,620
PECO Energy Company Common Stock, without par value	170,478,507
Baltimore Gas and Electric Company Common Stock, without par value	1,000

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GLOSSARY OF TERMS AND ABBREVIATIONS

Exelon Corporation and Related Entities

<i>Exelon</i>	Exelon Corporation
<i>Generation</i>	Exelon Generation Company, LLC
<i>ComEd</i>	Commonwealth Edison Company
<i>PECO</i>	PECO Energy Company
<i>BGE</i>	Baltimore Gas and Electric Company
<i>BSC</i>	Exelon Business Services Company, LLC
<i>Exelon Corporate</i>	Exelon's holding company
<i>CENG</i>	Constellation Energy Nuclear Group, LLC
<i>Constellation</i>	Constellation Energy Group, Inc.
<i>Exelon Transmission Company</i>	Exelon Transmission Company, LLC
<i>Exelon Wind</i>	Exelon Wind, LLC and Exelon Generation Acquisitions Company, LLC
<i>Enterprises</i>	Exelon Enterprises Company, LLC
<i>Ventures</i>	Exelon Ventures Company, LLC
<i>AmerGen</i>	AmerGen Energy Company, LLC
<i>BondCo</i>	RSB BondCo LLC
<i>PECO Trust III</i>	PECO Capital Trust III
<i>PECO Trust IV</i>	PECO Energy Capital Trust IV
<i>Registrants</i>	Exelon, Generation, ComEd, PECO and BGE, collectively

Other Terms and Abbreviations

<i>Note — of the Exelon 2011 Form 10-K</i>	Reference to specific Combined Note to Consolidated Financial Statements within Exelon's 2011 Annual Report on Form 10-K
<i>Act 11</i>	Pennsylvania Act 11 of 2012
<i>AEC</i>	Alternative Energy Credit that is issued for each megawatt hour of generation from a qualified alternative energy source
<i>AESO</i>	Alberta Electric Systems Operator
<i>AFUDC</i>	Allowance for Funds Used During Construction
<i>ALJ</i>	Administrative Law Judge
<i>AMI</i>	Advanced Metering Infrastructure
<i>ARC</i>	Asset Retirement Cost
<i>ARO</i>	Asset Retirement Obligation
<i>ARP</i>	Title IV Acid Rain Program
<i>ARRA of 2009</i>	American Recovery and Reinvestment Act of 2009
<i>Block contracts</i>	Forward Purchase Energy Block Contracts
<i>CAIR</i>	Clean Air Interstate Rule
<i>CAMR</i>	Federal Clean Air Mercury Rule
<i>CERCLA</i>	Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended
<i>Clean Air Act</i>	Clean Air Act of 1963, as amended
<i>Clean Water Act</i>	Federal Water Pollution Control Amendments of 1972, as amended
<i>Competition Act</i>	Pennsylvania Electricity Generation Customer Choice and Competition Act of 1996
<i>CSAPR</i>	Cross-State Air Pollution Rule
<i>CTC</i>	Competitive Transition Charge
<i>DOE</i>	United States Department of Energy
<i>DOJ</i>	United States Department of Justice
<i>DSP</i>	Default Service Provider
<i>EDF</i>	Electricite de France SA
<i>EE&C</i>	Energy Efficiency and Conservation/Demand Response
<i>EGS</i>	Electric Generation Supplier
<i>EIMA</i>	Illinois Senate Bill 1652 and Illinois House Bill 3036
<i>EPA</i>	United States Environmental Protection Agency

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GLOSSARY OF TERMS AND ABBREVIATIONS

Other Terms and Abbreviations

<i>ERCOT</i>	Electric Reliability Council of Texas
<i>ERISA</i>	Employee Retirement Income Security Act of 1974, as amended
<i>EROA</i>	Expected Rate of Return on Assets
<i>FASB</i>	Financial Accounting Standards Board
<i>FERC</i>	Federal Energy Regulatory Commission
<i>FRCC</i>	Florida Reliability Coordinating Council
<i>GAAP</i>	Generally Accepted Accounting Principles in the United States
<i>GHG</i>	Greenhouse Gas
<i>GRT</i>	Gross Receipts Tax
<i>GSA</i>	Generation Supply Adjustment
<i>GWh</i>	Gigawatt hour
<i>HAP</i>	Hazardous air pollutants
<i>Health Care Reform Acts</i>	Patient Protection and Affordable Care Act and Health Care and Education Reconciliation Act of 2010
<i>ICC</i>	Illinois Commerce Commission
<i>ICE</i>	Intercontinental Exchange
<i>Illinois Act</i>	Illinois Electric Service Customer Choice and Rate Relief Law of 1997
<i>Illinois EPA</i>	Illinois Environmental Protection Agency
<i>Illinois Settlement Legislation</i>	Legislation enacted in 2007 affecting electric utilities in Illinois
<i>IPA</i>	Illinois Power Agency
<i>IRC</i>	Internal Revenue Code
<i>IRS</i>	Internal Revenue Service
<i>ISO</i>	Independent System Operator
<i>ISO-NE</i>	ISO New England Inc.
<i>kV</i>	Kilovolt
<i>kW</i>	Kilowatt
<i>kWh</i>	Kilowatt-hour
<i>LIBOR</i>	London Interbank Offered Rate
<i>LILO</i>	Lease-In, Lease-Out
<i>LLRW</i>	Low-Level Radioactive Waste
<i>LTIP</i>	Long-Term Incentive Plan
<i>MATS</i>	U.S. EPA Mercury and Air Toxics Rule
<i>MDPSC</i>	Maryland Public Service Commission
<i>MGP</i>	Manufactured Gas Plant
<i>MISO</i>	Midwest Independent Transmission System Operator, Inc.
<i>mmcf</i>	Million Cubic Feet
<i>Moody's</i>	Moody's Investor Service
<i>MRV</i>	Market-Related Value
<i>MW</i>	Megawatt
<i>MWh</i>	Megawatt hour
<i>NAAQS</i>	National Ambient Air Quality Standards
<i>n.m.</i>	not meaningful
<i>NAV</i>	Net Asset Value
<i>NDT</i>	Nuclear Decommissioning Trust
<i>NEIL</i>	Nuclear Electric Insurance Limited
<i>NERC</i>	North American Electric Reliability Corporation
<i>NJDEP</i>	New Jersey Department of Environmental Protection
<i>Non-Regulatory Agreements Units</i>	Nuclear generating units or portions thereof whose decommissioning-related activities are not subject to contractual elimination under regulatory accounting
<i>NOV</i>	Notice of Violation
<i>NPDES</i>	National Pollutant Discharge Elimination System
<i>NRC</i>	Nuclear Regulatory Commission

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GLOSSARY OF TERMS AND ABBREVIATIONS

Other Terms and Abbreviations

<i>NYMEX</i>	New York Mercantile Exchange
<i>OCI</i>	Other Comprehensive Income
<i>OIESO</i>	Ontario Independent Electricity System Operator
<i>OPEB</i>	Other Postretirement Employee Benefits
<i>PA DEP</i>	Pennsylvania Department of Environmental Protection
<i>PAPUC</i>	Pennsylvania Public Utility Commission
<i>PCCA</i>	Pennsylvania Climate Change Act
<i>PGC</i>	Purchased Gas Cost Clause
<i>PJM</i>	PJM Interconnection, LLC
<i>POLR</i>	Provider of Last Resort
<i>POR</i>	Purchase of Receivables
<i>PPA</i>	Power Purchase Agreement
<i>Price-Anderson Act</i>	Price-Anderson Nuclear Industries Indemnity Act of 1957
<i>PRP</i>	Potentially Responsible Parties
<i>PSEG</i>	Public Service Enterprise Group Incorporated
<i>PV</i>	Photovoltaic
<i>RCRA</i>	Resource Conservation and Recovery Act of 1976, as amended
<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 whose decommissioning-related activities are subject to contractual elimination under regulatory accounting
<i>RES</i>	Retail Electric Suppliers
<i>RFP</i>	Request for Proposal
<i>Rider</i>	Reconcilable Surcharge Recovery Mechanism
<i>RMC</i>	Risk Management Committee
<i>RPM</i>	PJM Reliability Pricing Model
<i>RPS</i>	Renewable Energy Portfolio Standards
<i>RTEP</i>	Regional Transmission Expansion Plan
<i>RTO</i>	Regional Transmission Organization
<i>S&P</i>	Standard & Poor's Ratings Services
<i>SEC</i>	United States Securities and Exchange Commission
<i>SERC</i>	SERC Reliability Corporation (formerly Southeast Electric Reliability Council)
<i>SERP</i>	Supplemental Employee Retirement Plan
<i>SFC</i>	Supplier Forward Contract
<i>SGIG</i>	Smart Grid Investment Grant
<i>SILO</i>	Sale-In, Lease-Out
<i>SMP</i>	Smart Meter Program
<i>SNF</i>	Spent Nuclear Fuel
<i>SOS</i>	Standard Offer Service
<i>SPP</i>	Southwest Power Pool
<i>SSCM</i>	Simplified Service Cost Method
<i>Tax Relief Act of 2010</i>	Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010
<i>TEG</i>	Termoelectrica del Golfo
<i>TEP</i>	Termoelectrica Penoles
<i>Upstream</i>	Natural gas exploration and production activities
<i>VIE</i>	Variable Interest Entity
<i>WECC</i>	Western Electric Coordinating Council

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FILING FORMAT

This combined Form 10-Q is being filed separately by the 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.

FORWARD-LOOKING STATEMENTS

Certain of the matters discussed in this Report are forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from the forward-looking statements made by a Registrant include (a) those factors discussed in the following sections of Exelon's 2011 Annual Report on Form 10-K: ITEM 1A. Risk Factors, as updated by Part II, ITEM 1A of this Report; ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, as updated by Part I, ITEM 2. of this Report; and ITEM 8. Financial Statements and Supplementary Data: Note 18, as updated by Part I, Item 1. Financial Statements, Note 16 of this Report; (b) those factors discussed in the following sections of Constellation's 2011 Annual Report on Form 10-K: ITEM 1A. Risk Factors, as updated by Part II, ITEM 1A of this Report; ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, as updated by Part I, ITEM 2. of this Report; and ITEM 8. Financial Statements and Supplementary Data: Note 12, as updated by Part I, ITEM 1. Financial Statements, Note 16 of this Report; and (c) other factors discussed herein and in other filings with the SEC by the Registrants. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Report. None of the Registrants undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this Report.

WHERE TO FIND MORE INFORMATION

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

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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Table of Contents**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,	
	2012	2011	2012	2011
Operating revenues	\$ 5,954	\$ 4,496	\$ 10,640	\$ 9,451
Operating expenses				
Purchased power and fuel	2,606	1,716	4,371	3,716
Operating and maintenance	1,829	1,226	3,793	2,449
Depreciation and amortization	494	329	876	656
Taxes other than income	254	191	448	394
Total operating expenses	5,183	3,462	9,488	7,215
Equity in loss of unconsolidated affiliates	(57)		(79)	
Operating income	714	1,034	1,073	2,236
Other income and (deductions)				
Interest expense	(250)	(176)	(439)	(350)
Interest expense to affiliates, net	(6)	(6)	(12)	(13)
Other, net	(43)	101	152	196
Total other income and (deductions)	(299)	(81)	(299)	(167)
Income before income taxes	415	953	774	2,069
Income taxes	126	332	284	779
Net income	289	621	490	1,290
Net loss attributable to noncontrolling interests, preferred security dividends and preference stock dividends	3	1	4	2
Net income on common stock	286	620	486	1,288
Other comprehensive income (loss), net of income taxes				
Pension and non-pension postretirement benefit plans:				
Prior service benefit reclassified to periodic benefit cost	1	(1)	1	(2)
Actuarial loss reclassified to periodic cost	41	34	82	66
Transition obligation reclassified to periodic cost		1	2	2
Pension and non-pension postretirement benefit plans valuation adjustment	(3)		(11)	39
Change in unrealized gain (loss) on cash flow hedges	(156)	(145)	59	(191)
Change in unrealized income on equity investments	6		6	
Change in unrealized loss on foreign currency translation	(2)		(2)	
Change in unrealized loss on marketable securities	(1)			
Other comprehensive income (loss)	(114)	(111)	137	(86)
Comprehensive income	\$ 175	\$ 510	\$ 627	\$ 1,204

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Average shares of common stock outstanding:

Basic	853	663	779	663
Diluted	856	664	781	664

Earnings per average common share:

Basic	\$ 0.34	\$ 0.93	\$ 0.62	\$ 1.94
Diluted	\$ 0.33	\$ 0.93	\$ 0.62	\$ 1.94

Dividends per common share	\$ 0.53	\$ 0.53	\$ 1.05	\$ 1.05
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See the Combined Notes to Consolidated Financial Statements

Table of Contents**EXELON CORPORATION AND SUBSIDIARY COMPANIES****CONSOLIDATED STATEMENTS OF CASH FLOWS****(Unaudited)**

(In millions)	Six Months Ended June 30,	
	2012	2011
Cash flows from operating activities		
Net income	\$ 490	\$ 1,290
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation, amortization, accretion and depletion including nuclear fuel and energy contract amortization	1,895	1,114
Deferred income taxes and amortization of investment tax credits	227	590
Net fair value changes related to derivatives	(323)	264
Net realized and unrealized gains on nuclear decommissioning trust fund investments	(70)	(51)
Other non-cash operating activities	959	378
Changes in assets and liabilities:		
Accounts receivable	414	
Inventories	45	17
Accounts payable, accrued expenses and other current liabilities	(1,063)	(486)
Option premiums (paid) received, net	(108)	38
Counterparty collateral received (posted), net	451	(494)
Income taxes	259	691
Pension and non-pension postretirement benefit contributions	(90)	(2,089)
Other assets and liabilities	(357)	(249)
Net cash flows provided by operating activities	2,729	1,013
Cash flows from investing activities		
Capital expenditures	(2,816)	(1,985)
Proceeds from nuclear decommissioning trust fund sales	5,371	1,657
Investment in nuclear decommissioning trust funds	(5,483)	(1,772)
Cash acquired from Constellation	964	
Proceeds from sales of investments	12	
Purchases of investments	(5)	
Change in restricted cash	(15)	(2)
Other investing activities	(12)	28
Net cash flows used in investing activities	(1,984)	(2,074)
Cash flows from financing activities		
Changes in short-term debt	179	140
Issuance of long-term debt	850	599
Retirement of long-term debt	(649)	(2)
Dividends paid on common stock	(773)	(695)
Dividends paid to former Constellation shareholders	(51)	
Proceeds from employee stock plans	42	15
Other financing activities	(10)	(46)
Net cash flows (used in) provided by financing activities	(412)	11
Increase (decrease) in cash and cash equivalents	333	(1,050)
Cash and cash equivalents at beginning of period	1,016	1,612

Cash and cash equivalents at end of period	\$ 1,349	\$ 562
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See the Combined Notes to Consolidated Financial Statements

Table of Contents**EXELON CORPORATION AND SUBSIDIARY COMPANIES****CONSOLIDATED BALANCE SHEETS**

(In millions)	June 30, 2012 (Unaudited)	December 31, 2011
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,349	\$ 1,016
Restricted cash and investments	83	40
Restricted cash and investments of variable interest entities	34	
Accounts receivable, net		
Customer (\$296 and \$329 gross accounts receivable pledged as collateral as of June 30, 2012 and December 31, 2011, respectively)	2,886	1,613
Other	1,252	1,000
Accounts receivable, net, variable interest entities	183	
Mark-to-market derivative assets	1,170	432
Unamortized energy contract assets	1,433	13
Inventories, net		
Fossil fuel	227	208
Materials and supplies	772	656
Deferred income taxes	63	
Regulatory assets	867	390
Other	1,435	345
Total current assets	11,754	5,713
Property, plant and equipment, net	42,613	32,570
Deferred debits and other assets		
Regulatory assets	6,103	4,518
Nuclear decommissioning trust funds	6,841	6,507
Investments	836	751
Investments in affiliates	420	15
Investment in CENG	1,878	
Goodwill	2,625	2,625
Mark-to-market derivative assets	1,241	650
Unamortized energy contracts assets	1,317	388
Pledged assets for Zion Station decommissioning	650	734
Other	1,156	524
Total deferred debits and other assets	23,067	16,712
Total assets	\$ 77,434	\$ 54,995

See the Combined Notes to Consolidated Financial Statements

Table of Contents**EXELON CORPORATION AND SUBSIDIARY COMPANIES****CONSOLIDATED BALANCE SHEETS**

(In millions)	June 30, 2012 (Unaudited)	December 31, 2011
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings	\$ 376	\$ 163
Short-term notes payable — accounts receivable agreement	225	225
Long-term debt due within one year	526	828
Long-term debt of variable interest entities due within one year	65	
Accounts payable	2,183	1,444
Accounts payable of variable interest entities	119	
Accrued expenses	1,452	1,255
Deferred income taxes	482	1
Regulatory liabilities	259	197
Dividends payable	4	349
Mark-to-market derivative liabilities	829	112
Unamortized energy contract liabilities	616	
Other	947	560
Total current liabilities	8,083	5,134
Long-term debt	17,045	11,799
Long-term debt to financing trusts	649	390
Long-term debt of variable interest entity	479	
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	10,823	8,253
Asset retirement obligations	4,126	3,884
Pension obligations	2,610	2,194
Non-pension postretirement benefit obligations	2,703	2,263
Spent nuclear fuel obligation	1,019	1,019
Regulatory liabilities	3,963	3,627
Mark-to-market derivative liabilities	578	126
Unamortized energy contract liabilities	747	
Payable for Zion Station decommissioning	464	563
Other	1,736	1,268
Total deferred credits and other liabilities	28,769	23,197
Total liabilities	55,025	40,520
Commitments and contingencies		
Preferred securities of subsidiary	87	87
Shareholders' equity		
Common stock (No par value, 2,000 shares authorized, 854 shares and 663 shares outstanding at June 30, 2012 and December 31, 2011, respectively)	16,559	9,107
Treasury stock, at cost (35 shares at June 30, 2012 and December 31, 2011, respectively)	(2,327)	(2,327)
Retained earnings	10,114	10,055
Accumulated other comprehensive loss, net	(2,313)	(2,450)
Total shareholders' equity	22,033	14,385

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BGE preference stock not subject to mandatory redemption	193	
Noncontrolling interest	96	3
Total equity	22,322	14,388
Total liabilities and shareholders' equity	\$ 77,434	\$ 54,995

See the Combined Notes to Consolidated Financial Statements

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EXELON CORPORATION AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)

(In millions, shares in thousands)								
	Issued Shares	Common Stock	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss, net	Non-controlling Interest	BGE preference stock not subject to mandatory redemption	Total Equity
Balance, December 31, 2011	698,112	\$ 9,107	\$ (2,327)	\$ 10,055	\$ (2,450)	\$ 3	\$	\$ 14,388
Net income				486		(2)	6	490
Long-term incentive plan activity	2,080	87						87
Common stock dividends				(427)				(427)
Common stock issuance								
Constellation merger	188,124	7,365						7,365
Noncontrolling interest acquired						95		95
BGE preference stock acquired							193	193
Preferred and preference stock dividends							(6)	(6)
Other comprehensive income net of income taxes of \$(146)					137			137
Balance, June 30, 2012	888,316	\$ 16,559	\$ (2,327)	\$ 10,114	\$ (2,313)	\$ 96	\$ 193	\$ 22,322

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Operating revenues				
Operating revenues	\$ 3,345	\$ 2,209	\$ 5,718	\$ 4,546
Operating revenues from affiliates	408	246	774	552
Total operating revenues	3,753	2,455	6,492	5,098
Operating expenses				
Purchased power and fuel	1,852	841	2,896	1,724
Operating and maintenance	990	692	2,029	1,372
Operating and maintenance from affiliates	176	71	311	145
Depreciation and amortization	204	138	357	277
Taxes other than income	90	66	164	132
Total operating expenses	3,312	1,808	5,757	3,650
Equity in loss of unconsolidated affiliates	(57)		(79)	
Operating income	384	647	656	1,448
Other income and (deductions)				
Interest expense	(85)	(45)	(138)	(91)
Other, net	(76)	76	103	152
Total other income and (deductions)	(161)	31	(35)	61
Income before income taxes	223	678	621	1,509
Income taxes	58	235	289	571
Net income	165	443	332	938
Net loss attributable to noncontrolling interests	(1)		(2)	
Net income on membership interest	166	443	334	938
Other comprehensive income (loss), net of income taxes				
Change in unrealized loss on cash flow hedges	(266)	(254)	(14)	(323)
Change in unrealized income on equity investments	6		6	
Change in unrealized loss on foreign currency translation	(2)		(2)	
Change in unrealized loss on marketable securities	(1)		(1)	
Other comprehensive loss	(263)	(254)	(11)	(323)
Comprehensive income (loss)	\$ (98)	\$ 189	\$ 321	\$ 615

See the Combined Notes to Consolidated Financial Statements

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

(In millions)	Six Months Ended June 30,	
	2012	2011
Cash flows from operating activities		
Net income	\$ 332	\$ 938
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation, amortization, depletion and accretion, including nuclear fuel and energy contract amortization	1,423	735
Deferred income taxes and amortization of investment tax credits	168	298
Net fair value changes related to derivatives	(307)	264
Net realized and unrealized gains on nuclear decommissioning trust fund investments	(70)	(51)
Other non-cash operating activities	318	168
Changes in assets and liabilities:		
Accounts receivable	306	(139)
Receivables from and payables to affiliates, net	(42)	223
Inventories	30	(5)
Accounts payable, accrued expenses and other current liabilities	(732)	(78)
Option premiums (paid) received, net	(108)	38
Counterparty collateral received (paid), net	443	(525)
Income taxes	314	270
Pension and non-pension postretirement benefit contributions	(35)	(952)
Other assets and liabilities	(174)	(108)
Net cash flows provided by operating activities	1,866	1,076
Cash flows from investing activities		
Capital expenditures	(1,820)	(1,270)
Proceeds from nuclear decommissioning trust fund sales	5,371	1,657
Investment in nuclear decommissioning trust funds	(5,483)	(1,772)
Change in restricted cash	6	
Cash acquired from Constellation	708	
Other investing activities	(66)	(3)
Net cash flows used in investing activities	(1,284)	(1,388)
Cash flows from financing activities		
Issuance of long-term debt	850	
Retirement of long-term debt	(56)	(1)
Change in short-term debt	(42)	
Distribution to member	(891)	
Other financing activities	(9)	(34)
Net cash flows used in financing activities	(148)	(35)
Increase (decrease) in cash and cash equivalents	434	(347)
Cash and cash equivalents at beginning of period	496	456
Cash and cash equivalents at end of period	\$ 930	\$ 109

See the Combined Notes to Consolidated Financial Statements

Table of Contents**EXELON GENERATION COMPANY, LLC AND SUBSIDIARY COMPANIES****CONSOLIDATED BALANCE SHEETS**

(In millions)	June 30, 2012 (Unaudited)	December 31, 2011
ASSETS		
Current assets		
Cash and cash equivalents	\$ 930	\$ 496
Restricted cash and cash equivalents	2	5
Restricted cash and cash equivalents, variable interest entities	12	
Accounts receivable, net		
Customer	1,579	578
Other	254	257
Accounts receivable, net, variable interest entities	183	
Mark-to-market derivative assets	1,170	432
Mark-to-market derivative assets with affiliates	506	503
Receivables from affiliates	144	109
Unamortized energy contract assets	1,433	13
Inventories, net		
Fossil fuel	134	120
Materials and supplies	628	556
Other	1,110	148
Total current assets	8,085	3,217
Property, plant and equipment, net	17,702	13,475
Deferred debits and other assets		
Nuclear decommissioning trust funds	6,841	6,507
Investments	82	41
Investments in affiliates	397	1
Investment in CENG	1,878	
Mark-to-market derivative assets	1,227	635
Mark-to-market derivative assets with affiliates		191
Prepaid pension asset	2,057	2,068
Pledged assets for Zion Station decommissioning	650	734
Unamortized energy contract assets	1,317	388
Other	851	176
Total deferred debits and other assets	15,300	10,741
Total assets	\$ 41,087	\$ 27,433

See the Combined Notes to Consolidated Financial Statements

Table of Contents**EXELON GENERATION COMPANY, LLC AND SUBSIDIARY COMPANIES****CONSOLIDATED BALANCE SHEETS**

(In millions)	June 30, 2012 (Unaudited)	December 31, 2011
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings	\$ 10	\$ 2
Long-term debt due within one year	23	3
Long-term debt due within one year of variable interest entities	3	
Accounts payable	1,310	753
Accounts payable of variable interest entities	119	
Accrued expenses	885	779
Payables to affiliates	115	58
Deferred income taxes	567	244
Mark-to-market derivative liabilities	810	103
Unamortized energy contract liabilities	506	
Other	378	202
Total current liabilities	4,726	2,144
Long-term debt	7,163	3,674
Long-term debt of variable interest entities	180	
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	4,892	3,966
Asset retirement obligations	3,997	3,767
Non-pension postretirement benefit obligations	815	703
Spent nuclear fuel obligation	1,019	1,019
Payables to affiliates	2,352	2,222
Mark-to-market derivative liabilities	485	29
Unamortized energy contract liabilities	696	
Payable for Zion Station decommissioning	464	563
Other	793	638
Total deferred credits and other liabilities	15,513	12,907
Total liabilities	27,582	18,725
Commitments and contingencies		
Equity		
Member s equity		
Membership interest	8,828	3,556
Undistributed earnings	3,675	4,232
Accumulated other comprehensive income, net	904	915
Total member s equity	13,407	8,703
Noncontrolling interest	98	5
Total equity	13,505	8,708