~~INCLUDES PROPRIETARY INFORMATION WITHHOLD UNDER 10 CFR 2.390~~

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Exelon Generation

CENG
a joint venture of Constellation Energy EDF

10 CFR 50.80
10 CFR 50.90
10 CFR 72.50

December 17, 2013

U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

ATTENTION: Document Control Desk

SUBJECT: **Calvert Cliffs Nuclear Power Plant, Units 1 and 2**
Renewed Facility Operating License Nos. DPR-53 and DPR-69
Docket Nos. 50-317 and 50-318
Calvert Cliffs Independent Spent Fuel Storage Installation
Materials License No. SNM-2505
Docket No. 72-8
Nine Mile Point Nuclear Station, Units 1 and 2
Renewed Facility Operating License Nos. DPR-63 and NPF-69
Docket Nos. 50-220 and 50-410
Nine Mile Point Nuclear Station, Independent Spent Fuel Storage Installation
General License
Docket No. 72-1036
R.E. Ginna Nuclear Power Plant
Renewed Facility Operating License No. DPR-18
Docket No. 50-244
R.E. Ginna Independent Spent Fuel Storage Installation
General License
Docket No. 72-67

Response to NRC's Request for Additional Information Regarding Application for Order Approving Transfer of Operating Authority and Conforming License Amendments

A001
NMSS26
NRC NMSS

REFERENCES:

(a) Letter from N. S. Morgan (NRC) to M. G. Korsnick (CENG) and B. P. Wright (Exelon), dated December 5, 2013 Calvert Cliffs Nuclear Power Plant, Unit Nos. 1 and 2, Nine Mile Point Nuclear Station, Unit Nos. 1 and 2, and R. E. Ginna Nuclear Power Plant- Request for Additional Information Regarding Order Approving Direct Transfer of Renewed Facility Operating Licenses and Conforming Amendments (TAC No. MF2584, MF2585, MF2586, MF2587, and MF2588) (ML13337A390)

(b) Letter from M. G. Korsnick (CENG) and B. P. Wright (Exelon) to Document Control Desk (NRC), dated August 6, 2013, Application for Order Approving Transfer of Operating Authority and Conforming License Amendments (ML13232A156)

The purpose of this letter is to provide the response of Constellation Energy Nuclear Group, LLC, acting on behalf of itself, Exelon Generation Company, LLC, and its subsidiary licensees, Calvert Cliffs Nuclear Power Plant, LLC, Nine Mile Point Nuclear Station, LLC and R.E. Ginna Nuclear Power Plant, LLC, to the Nuclear Regulatory Commission's request for additional information (Reference a) regarding the Application for Order Approving Transfer of Operating Authority and Conforming License Amendments (Reference b). Responses to the requests for additional information are provided in Attachment (1) along with supplemental information provided as Attachments (2) through (5).

Please note that Attachments (4A) and (5A), are being provided in a separately-bound proprietary enclosure. Attachments (4A) and (5A) contain confidential and proprietary information and thus we request that these attachments be withheld from public disclosure pursuant to 10 CFR §§ 2.390(a)(4) and 9.17(a)(4). Attachments (4) and (5) are provided as non-proprietary versions suitable for public disclosure. An affidavit supporting the request for withholding Attachments (4A) and (5A) from public disclosure is provided as Attachment (6).

This correspondence does not contain any regulatory commitments.

If there are any questions regarding this transmittal, please contact Bruce Montgomery at (443)-532-6533.

I declare under penalty of perjury that the foregoing is true and correct. Executed on December 17, 2013.

Sincerely,

James A. Spina

JAS/EMT/bjd

Attachments:
(1) Response to NRC Request for Additional Information
(2) Credit Rating Agency Reports
(3) Existing Executed Support Agreements
(4) Additional Financial Information (Non-Proprietary Version)
(5) Wood Mackenzie Projections (Non-Proprietary Version)
(6) 10 CFR 2.390 Affidavit of Mary G. Korsnick

Proprietary Attachments:
(4A)Additional Financial Information (Proprietary Version)
(5A) Wood Mackenzie Projections (Proprietary Version)

cc: **(With Attachments 4A and 5A)**
NRC Project Manager, Calvert Cliffs
NRC Project Manager, Ginna
NRC Project Manager, Nine Mile Point
Regional Administrator, NRC Region I
Susan Uttal, NRC Office of General Counsel
Thomas Fredrichs, Senior Level Advisor for Financial Matters, NRR

(Without Attachments 4A and 5A)
USNRC, Director, Office of Nuclear Reactor Regulation
USNRC, Director, Office of Nuclear Material Safety and Safeguards
NRC Resident Inspector – Calvert Cliffs
NRC Resident Inspector – Nine Mile Point
NRC Resident Inspector – R.E. Ginna
S. Gray, Maryland DNR
A. L. Peterson, NYSERDA
B. Frymire, NYSDPS

ATTACHMENT (1)

RESPONSE TO NRC REQUEST FOR ADDITIONAL INFORMATION

ATTACHMENT (1)

RESPONSE TO NRC REQUEST FOR ADDITIONAL INFORMATION

For convenience of the reader, references are placed at the end of this attachment.

Requested Information 1: Financial Qualifications

In accordance with 10 CFR 50.33(f)(2), the Applicants provided financial information on Constellation and the licensees to demonstrate that they possess, or have reasonable assurance of obtaining the funds necessary to cover the projected operating costs of Calvert Cliffs, Calvert Cliffs ISFSI, Ginna, Ginna ISFSI, NMP 1, and a pro rata share of the estimated operating costs of NMP 2 associated with a total 82% undivided ownership interest for the period of their respective licenses.

Based on the application, Constellation states that it currently "maintains a cash pooling arrangement with an Inter-Company Credit Agreement that provides an additional vehicle for managing the working capital needs of the Licensees" This cash pooling arrangement was reviewed by the NRC in connection with the indirect license transfer related to corporate restructuring in 2011.

Under 10 CFR 50.33(f) a non-utility applicant must provide information sufficient to demonstrate its financial qualifications to carry out the activities for which the license is being sought. In addition, per NUREG 1577, Rev. 1, the reviewer "will also consider relevant financial information (i.e., information on cash or cash equivalents that would be sufficient to pay fixed operating costs during an outage of at least 6 months...and any other relevant factors)."

Finally, 10 CFR 50.33(f)(4) states, in part:

> *The Commission may request an established entity or newly-formed entity to submit additional or more detailed information respecting its financial arrangements....[T]his may include information regarding a licensee's ability to continue the conduct of the activities authorized by the license...*

License transfer financial qualification reviews provide an opportunity for NRC staff to review and ultimately address any new financial qualification concerns. The finding of reasonable assurance that funds will be available to cover estimated operating costs for the period of the license relies on the applicant providing sufficient information regarding availability of credit or support agreements, bank lines of credit or other specifically identified sources of funds, sufficient to fund the estimated fixed operating and maintenance costs the period of the license.

Based on the information provided in the application, provide the following additional information, pursuant to 50.33(f) regarding financial qualification:

a. Provide the amount of funds currently available under the cash pooling arrangement. Also, state whether Exelon, or who will have the authority, and will have the ability to modify the existing cash pooling arrangement and future financial support agreements.

Response

As noted in Reference 1, Constellation Energy Nuclear Group, LLC (CENG) continues to maintain an effective and efficient stand-alone cash pooling structure in which the individual Owner Licensees are able to finance their working capital needs. Pursuant to Section 6.3 of the Fourth Amended and Restated CENG Operating Agreement, ("LLC Agreement") and the definition of "Designated Available Cash" in Article I of the that agreement, Exelon Generation and EDF Inc. (EDF) have agreed that CENG will target maintaining a $125 million net surplus cash position on an on-going consolidated basis, after taking into account any borrowed or invested cash positions from the individual Owner Licensees, . Exelon

Generation does not have independent authority to change the cash pooling arrangements, which have been fully executed and which continue to remain in full force. However, Exelon Generation controls CENG and its subsidiaries subject to the terms of the LLC Agreement. Changes to the financial Support Agreements require prior notice to the NRC pursuant to Section 9 of the Support Agreements (Attachment 3).

Reference 1 requests approval of the transfer of operating authority to Exelon Generation Company, LLC (Exelon Generation) for the licenses currently held by Exelon Generation's subsidiary licensees, Calvert Cliffs Nuclear Power Plant, LLC, Nine Mile Point Nuclear Power Station, LLC, and R.E. Ginna Nuclear Power Plant, LLC. These entities (the Owner Licensees) will retain their licensed ownership interests in the licensed facilities and their responsibility to pay the operating costs and decommissioning expenses for the licensed facilities.

In the past, the NRC has determined that an operator licensee, such as Exelon Generation in this instance, must demonstrate its financial qualifications to assume the responsibility for operating authority, but that it may do so by showing that it will receive funding from the Owner Licensees, under circumstances where owner licensees remain financially qualified to fund the operation of the facilities. *See, e.g., Northern States Power Company* (Monticello Nuclear Generating Plant, *et al.*), CLI-00-14, 52 NRC 37, 48-51 (2000) (Nuclear Management Company's financial qualifications demonstrated through contractual arrangements to obtain funding from owner licensee).

In Reference 2, the NRC staff independently evaluated the financial qualifications of the licensed operator, Entergy Nuclear Operations, Inc. (ENO), in Section 4.0.7 of the Safety Evaluation regarding an indirect license transfer in connection with the Enexus Restructuring Transaction, where ENO relied solely upon receiving revenue from the owner licensees of the facilities. The NRC staff's Safety Evaluation on Page 13 concluded:

> ENO will receive the revenue necessary to operate and maintain all the facilities, including decommissioning funds to pay for such expenses, from the entities licensed to own the facilities pursuant to current operating agreements and intra-corporate arrangements. Thus, ENO will rely upon the financial qualifications of the licensed owners of the facilities, because these entities will be financially responsible for the operation and decommissioning of the units.

For purposes of reviewing the pending application, the NRC staff can conclude that Exelon Generation is financially qualified to assume operating authority based upon the financial qualifications of the Owner Licensees, which remain unchanged. In addition, Exelon Generation is an established entity in its own right, and is financially qualified to assume operating authority even without relying upon the obligations of the owner licensees to fund operation. Exelon Generation's substantial revenues and net income from its nuclear generating operations, non-nuclear generating operations, and other operations such as power marketing are reflected in the five year *pro forma* financial projections provided in Attachment (6A) to Reference 1. These projections reflect Exelon Generation's annual revenues exceeding $20 billion per year and annual operating income exceeding $1 billion per year. Substantial weight should be afforded Exelon Generation's independent financial qualifications to assume operating authority for these facilities.

Significantly, Exelon Generation maintains investment grade credit ratings for its senior unsecured debt from Fitch, Moody's and Standard and Poors ("S&P"). Copies of the most recent Fitch, Moody's and S&P Reports for Exelon Generation are provided as Attachment (2). The applicable NRC guidance in NUREG-1577, Rev. 1, "Standard Review Plan on Power Reactor Licensee Financial Qualifications and

Decommissioning Funding Assurance," provides:

> If applicable, the reviewer will also use information from *Moody's, Standard and Poors*, and *Value Line* or other widely accepted rating organizations to assist in his or her review. If a license applicant has an "investment-grade" rating or equivalent from at least two of these sources, . . . ***the reviewer will find such applicants financially qualified***.

Section III.1b (Page 5) (emphasis added). Thus, under the relevant guidance, the investment grade credit ratings maintained by Exelon Generation are sufficient taken alone to conclude that the Applicants are financially qualified, because Exelon Generation will be named as the operating licensee on each license with full responsibility for nuclear safety and security at these facilities.

b. Provide copies of the current executed support agreements between Constellation and the Subsidiary Licensees, and E.D.F. International SAS (EDFI) and the Subsidiary Licensees for the NRC staff's review, in amounts that will cover estimated fixed operating and maintenance (O&M) expenses for outages for at least 12 months. According to the application, Exelon and EDFI, EDF Inc's direct parent company, currently maintain support agreements with the Owner-Licensees in the amount of $350 million.

Response

Copies of the executed support agreements between subsidiary owner licensee companies and the two companies providing financial support, Exelon Generation and EDF International SAS, are provided as Attachment (3). EDF International SAS is the successor in interest to EDF International SA, which executed the support agreement dated November 9, 2009. Notice was provided in Reference 3 regarding the conversion of EDF International SA to EDF International SAS. EDF International SAS changed its corporate form (similar to conversion of a corporation to a limited liability company), but remains subject to the rights and obligations of EDF International SA by operation of law.

The projected fixed operating and maintenance (O&M) expenses for each of the facilities subject to the pending license transfer request are reflected in the proprietary Attachment (6A) of Reference 1. Specifically, the amounts allocable to "fixed" O&M are those amounts reflected in the line items "O&M, Non-Outage," "O&M Refueling Outage," and "Property Taxes," consistent with the same methodology used to derive the $350 million in parent company financial support that was provided in connection with the indirect license transfers reviewed in Reference 2. Thus, the $350 million in existing parental support agreements remains adequate to fund the fixed O&M expenses for simultaneous outages at any two of the three sites for more than six months and simultaneous outages for all three sites for approximately five-six months. In addition, each of the subsidiary owner licensee companies has access to the cash pooling arrangements described above in response to RAI 1.a. Finally, Exelon Generation itself has substantial resources, and therefore, it has sufficient funding available to pay the fixed O&M expenses of the three CENG sites for outages for more than 12 months.

c. Provide a breakdown and supporting documentation for the reported revenue, including price per megawatt-hour (MWh) amount of megawatts, and capacity factor. The revenue projection should be broken out as follows:

i. Total Plant MWh capacity
ii. Projected Capacity Factor
iii. Average Contract Price per MWh
iv. Average Market Price per MWh

v. Power Sales - Contract
vi. Power Sales - Market
vii Total Revenue

Additionally, provide the listed fuel costs per unit under O&M, and provide the revised revenues which should not be net of any list costs.

Response

Response to this RAI 1.c requires submittal of financial information that is considered confidential and proprietary. Therefore, this information is being provided in a separately bound Attachment (4A), and applicants request that this attachment be withheld from public disclosure pursuant to 10 CFR §§ 2.390(a)(4) and 9.17(a)(4). Attachment (4) is provided as a non-proprietary version suitable for public disclosure. An affidavit supporting the request for withholding Attachment (4A) from public disclosure is provided as Attachment (6).

d. Provide revised pro-formas to include the scenario where EDF exercises its put option at the earliest possible time permitted by the agreement.

Response

The exercise of the put option by EDF will not affect the five year financial *pro formas* for the Owner Licensees that were previously submitted as Attachment (6A) to Reference 1, because the payment obligations relating to the put option are the responsibility of Exelon Generation. However, the *pro formas* for Exelon Generation would be impacted, because it would assume ownership of EDF's 49.99% share of CENG, thereby eliminating the Net Income (Loss) Attributable to Noncontrolling Interest amounts reflected in the *pro formas* for the Owner Licensees. In addition, Exelon Generation's *pro formas* would be impacted by the expense associated with acquiring EDF's 49.99% interest. Revised *pro formas* for Exelon Generation are provided in the proprietary Attachment (4A) to reflect the impact of the put option being exercised at the earliest possible time.

e. State whether pro-forma income statements include the loan provided from Exelon to Constellation. If so, please indicate where this source of funds is utilized.

Response

The loan provided by Exelon Generation to CENG does not impact the *pro formas* for the Owner Licensees, because the debt is held by CENG. The Exelon Generation *pro formas* provided in Attachment (6A) of Reference 1 already account for the impact of the loan, which affects Exelon Generation's consolidated financial results.

f. On September 3, 2013, Federal Energy Regulatory Commission (FERC) issued an Order approving Exelon and subsidiaries' petition for a Declaratory Order requesting that FERC find that section 305(a) of the Federal Power Act (FPA) is not a bar to the payment of dividends from certain capital accounts from Constellation subsidiaries (Acquired Subsidiaries). The Order stated:

> *Applicants [Exelon and subsidiaries] explain that the purpose of this petition is to obtain a determination from the Commission that section 305(a) of the FPA does not prohibit: (1) the Acquired Subsidiaries [Constellation subsidiaries] from*

paying dividends to their parent company, Exelon Generation, from their respective capital accounts in equal measure to the funds that were recorded as retained earnings at the close of the Merger; and (2) Exelon Generation from, in turn, paying dividends to its parent company, Exelon Ventures, from its capital accounts to the extent that Exelon Generation has received dividends from any of the Legacy Constellation Subsidiaries paid out of funds recorded as miscellaneous paid-in capital. Applicants state that granting its petition will enable Exelon to move excess cash out of the Acquired Subsidiaries and Exelon Generation to allow the use of this cash elsewhere in the Exelon system. Otherwise, Applicants assert that significant corporate funds could be stranded on the books of the Applicants and rendered unavailable for legitimate corporate purposes.

The NRC has previously expressed concern that corporate restructuring can lead to a diminution of assets necessary for the safe operation and decommissioning of a licensee's nuclear power plant (62 FR 44071), and has previously conditioned license transfer approvals upon a requirement that the licensee not transfer significant assets from the licensee without first notifying the NRC.

Please explain if the Exelon's removal of assets from the Constellation subsidiaries will impact the safe operation of the Constellation plants or decommissioning funding assurance.

Response

The plans for payment of dividends were taken into account in the preparation of the *pro forma* financial statements provided in Attachment (6A) of Reference 1. The *pro forma* financial statements in Reference 1, which take into account the plans for payment of dividends, confirm that the Applicants, Exelon Generation and the Owner Licensees, have substantial resources to meet their obligations. Moreover, the Applicants are committed to maintaining the funding resources necessary to assure that the management of dividends and other resources has no adverse impact on the safe operation of any licensed nuclear facilities. Decommissioning funding assurance for the Owner Licensees is maintained by existing prepaid funds segregated from their other assets into nuclear decommissioning trusts that are outside the administrative control of the licensees in compliance with 10 CFR 50.75(e)(1)(i). Exelon Generation and EDF have committed to assuring that the Owner Licensees maintain adequate liquidity to support their funding needs, and Exelon Generation is committed to maintaining its independent investment grade credit rating.

Requested Information 2: Financial Qualifications

In its February 22, 2013, 10K filing with the Securities and Exchange Commission, Exelon stated the following (page 18):

> *As part of reaching a comprehensive agreement with EDF in October 2010, the existing power purchase agreements with [Constellation Energy Nuclear Group, LLC] CENG were modified to be unit-contingent through the end of their original term in 2014. Under these agreements, CENG has the ability to fix the energy price on a forward basis by entering into monthly energy hedge transactions for a portion of the future sale, while any unhedged portions will be provided at market prices by default. Additionally, beginning in 2015 and continuing to the end of the life of the respective plants, Generation agreed to purchase 50.01% of the available output of CENG's nuclear plants at market prices. Generation discloses in the table above commitments to purchase from CENG at fixed prices. All commitments to purchase from CENG at market prices, which include all purchases subsequent to December 31, 2014, are excluded from the table.*

Identify the source or sources of funds that will be available to cover operational expenses following the end of the power purchase agreements terms in 2014. Indicate if the pro-formas provided in the license transfer application reflect projected market prices from 2015 through 2019. Provide supporting documentation to justify the projected market prices per MWh.

Response

See Response to RAI 1.c above. The market price assumptions used in the financial *pro formas* are included in proprietary Attachment (4A). These assumptions are generally conservative when compared to the prevailing forward energy prices as of the date of the license transfer application. For example, the separately bound Attachment (5A) provides market price projections generated by Wood Mackenzie dated July 31, 2013 (the approximate timing of the license transfer application, Reference 1). Attachment (5A) includes proprietary market price projections, and Applicants request that this attachment be withheld from public disclosure pursuant to 10 CFR §§ 2.390(a)(4) and 9.17(a)(4). Attachment (5) is provided as a non-proprietary version suitable for public disclosure. An affidavit supporting the request for withholding Attachment (5A) from public disclosure is provided as Attachment (6).

Wood Mackenzie is an independent, expert advisor to the energy industry that generates supply, demand and power price outlooks. The Wood Mackenzie projections of market power prices for "PJM Western Hub" are applicable to the CENG site located in Maryland, and the market power prices projected for "NYISO Zone A" are applicable to the CENG sites located in New York. The projections for market prices provided in Attachment (4A) are lower than the projections generated by Wood Mackenzie and provided in Attachment (5A). The more conservative assumptions in Attachment (4A) were used as inputs for the *pro forma* projections provided in Attachment (4A) of this Response to RAIs, as well as Attachment (6A) of Reference 1.

REFERENCES:

(1) Letter from Mary G. Korsnick (Constellation Energy Nuclear Group, LLC) and Bryan P. Wright (Exelon Generation Company, LLC) to Document Control Desk (NRC), dated August 6, 2013, Application for Order Approving Transfer of Operating Authority and Conforming License Amendments (ML13232A156)

(2) Letter from Douglas V. Pickett (NRC) to Michael R. Kansler (Entergy Nuclear Operations, Inc.), dated July 28, 2008, Order Approving Indirect Transfer of Facility Operating License (ML080940582).

(3) Letter from Mr. James A. Spina (Constellation Energy Nuclear Group, LLC) to Document Control Desk (NRC), dated April 15, 2011, Notice Regarding Change in Corporate Form of E.D.F. International SA (ML11109A035).

ATTACHMENT (2)

CREDIT RATING AGENCY REPORTS

Exelon Generating Co. LLC

Subsidiary of Exelon Corp.

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	BBB+
Short-Term IDR	F2
Senior Unsecured	BBB+
Commercial Paper	F2

IDR – Issuer Default Rating.

Rating Outlook

Long-Term Foreign-Currency IDR	Stable

Financial Data

Exelon Generating Co. LLC

($ Mil.)	12/31/12	12/31/11
Revenue	14,437	10,308
Gross Margin	7,376	6,858
Operating EBITDA	2,017	3,475
Net Income	562	1,771
CFFO	3,581	3,313
Total Debt	6,385	3,954
Total Capitalization	20,279	12,662
Capex/Depreciation	479.90	460.38

Related Research

Baltimore Gas and Electric Company (April 2013)

Commonwealth Edison Company (April 2013)

Exelon Corp. (April 2013)

PECO Energy Company (April 2013)

Analysts
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Key Rating Drivers

Reduced Financial Commitments: Exelon Generation Co., LLC's (Exgen) ratings reflect recent steps taken by management to reduce financial commitments and solidify credit quality in the face of persistently low power prices that are pressuring wholesale and retail profit margins. The positive actions include reductions in capex and parent Exelon Corp.'s (EXC) common stock dividend. Fitch Ratings consequently expects financial metrics to remain strong during a low point in the commodity cycle, and to compare favorably to Fitch's target ratios and their respective peer groups.

Dividend Reduction: EXC's common stock dividend was reduced 40%, saving nearly $750 million annually. Fitch expects Exgen to be the primary beneficiary of the dividend reduction and to apply available cash to retire maturing and/or callable debt. The new dividend takes effect in the second quarter of 2013.

Reduced Capex: In November 2012, management lowered Exgen's capex budget by $2.3 billion over the five year period from 2013 to 2017. The lower capex meaningfully reduces pressure on credit quality measures. The capex reduction includes approximately $1.025 billion from the deferral of planned nuclear uprates and $1.25 billion from eliminating unidentified wind and solar investments. Any incremental investments by Exgen are expected to be contracted renewables, or possibly distressed merchant assets in regions that have a well-functioning capacity market and/or a tight reserve position.

Financial Position: The combined reductions of the common stock dividend and capex have solidified Exgen's financial position. Fitch estimates Exgen's adjusted ratio of FFO/interest to be in excess of 7.0x over the next several years and FFO/debt to approximate 40%.

Low Commodity Price Environment: Low power prices, weak demand, and aggressive competitive pricing behavior have adversely affected wholesale and retail margins, and Fitch expects them to persist for several more years, lowering gross margin and keeping pressure on credit quality measures. The situation is exacerbated by rising nuclear operating, fuel, and maintenance costs.

Competitive Position: Exgen's largely nuclear-fueled generating fleet is low on the dispatch curve and likely to be dispatched under any price scenario. It is well positioned to benefit from any uplift in power prices from higher environmental costs or plant retirements, and requires limited environmental remediation expenditures.

Rating Sensitivities

Positive Action: A positive rating action is unlikely in the current power price environment.

Negative Action: A more aggressive growth strategy that increases business risk and/or leverage, a sustained nuclear outage, or a change in hedging strategy could trigger a downward rating action.

Financial Overview

Liquidity and Debt Structure

Exgen's committed bank credit facilities aggregating $5.7 billion provide ample liquidity. The credit agreements include a $5.3 billion syndicated facility that extends to August 2017, bilateral agreements of $300 million maturing in December 2015 and March 2016, and an additional $75 million maturing in 2015. Available cash as of Dec. 31, 2012, is approximately $671 million. The credit facilities support collateral postings, including letters of credit, and commercial paper borrowings. The credit agreement does not contain a material adverse change clause, and the only financial covenant requires a minimum cash from operations/interest expense ratio of 2.5x, compared with the 2012 year-end ratio of 14.2x. Exgen and affiliate PECO Energy Co. also participate in a corporate money pool.

Long-term debt, primarily senior unsecured obligations, aggregates $7.1 billion (excluding a $235 million fair value write-up). The debt balance includes approximately $1.8 billion of Constellation Energy Group (Constellation) debt, and $500 million of limited recourse project debt that Fitch treats as off-credit in its credit analysis. The Constellation debt, which includes a $450 million junior subordinated debt issue that receives 50% equity credit from Fitch, is housed at EXC, but through an intercompany loan agreement funded by Exgen.

In 2013, Exgen plans to retire $450 million of callable debt with cash and to issue up to $1 billion of nonrecourse project debt. Fitch also expects the company to retire $520 million of maturing debt with cash in 2014.

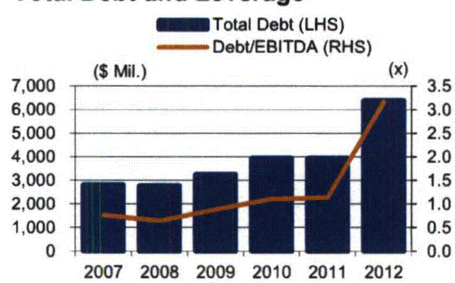
Debt Maturities and Liquidity

($ Mil., At Dec. 31, 2012)

Debt Maturities	
2013	28
2014	616
2015	553
2016	76
After 2016	5,998
Cash and Cash Equivalents	671
Undrawn Committed Facilities	3,782

Source: Company data, Fitch.

Total Debt and Leverage



Source: Company data, Fitch.

Cash Flow Analysis

Exgen's cash flow position has been strengthened considerably by the reductions in the common stock dividend and growth capex. Fitch consequently expects forecast capex of $7.6 billion over the three year period from 2013 to 2015 to be funded with internally generated cash. Approximately three-quarters of forecast expenditures are for maintenance of existing facilities and nuclear fuel, with the remainder primarily investments in nuclear uprates and renewables. Fitch expects Exgen to use FCF plus available cash to fund debt maturities over the next several years and to opportunistically retire callable debt.

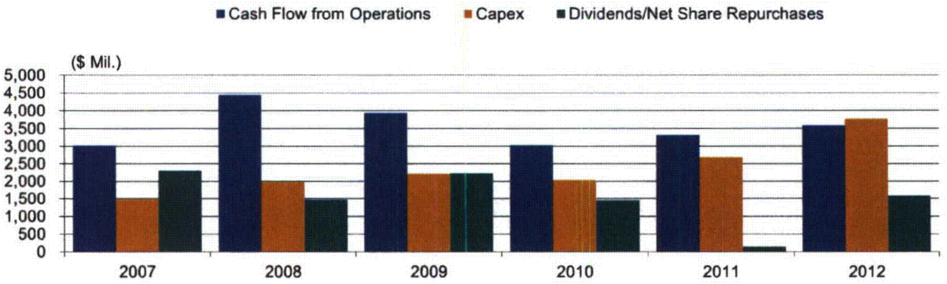
Related Criteria

Recovery Ratings and Notching Criteria for Utilities (November 2012)

Corporate Rating Methodology (August 2012)

Parent and Subsidiary Rating Linkage (August 2012)

CFO and Cash Use



Source: Company data, Fitch.

Peer and Sector Analysis

Peer Group

Issuer	Country
BBB+	
Exelon Generation Co. LLC	United States
PSEG Power LLC	United States
BBB	
PPL Energy Supply, LLC	United States
BBB–	
FirstEnergy Solutions Corp.	United States

Source: Fitch.

Issuer Rating History

Date	LT IDR (FC)	Outlook/ Watch
Feb. 8, 2013	BBB+	Stable
March 12, 2012	BBB+	Stable
April 28, 2011	BBB+	Stable
Jan. 24, 2011	BBB+	Stable
Jan. 25, 2010	BBB+	Stable
July 21, 2009	BBB+	Stable
Oct. 20, 2008	BBB+	RWN
May 30, 2008	BBB+	Positive
Aug. 29, 2007	BBB+	Stable
Jan. 18, 2007	BBB+	Stable
Nov. 17, 2006	BBB+	Stable
Dec. 6, 2005	BBB+	Stable
Dec. 20, 2004	BBB+	Stable
May 2, 2001	BBB+	Stable

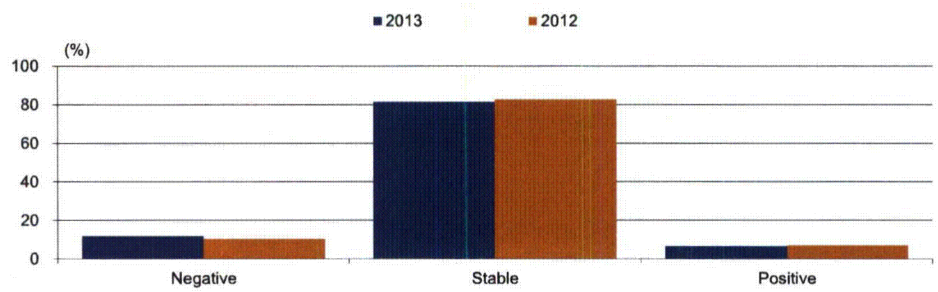
LT IDR (FC) – Long-term Issuer Default Rating (foreign currency).
RWN – Rating Watch Negative.
Source: Fitch.

Peer and Sector Analysis

	Exelon Generation Co. LLC	PPL Energy Supply, LLC	FirstEnergy Solutions Corp.	PSEG Power LLC
LTM as of	12/31/12	12/31/12	12/31/12	12/31/12
Long-Term IDR	BBB+	BBB	BBB–	BBB+
Outlook	Stable	Negative	Stable	Stable
Financial Statistics ($ Mil.)				
Revenue	14,437	5,500	5,918	4,865
EBITDA	2,017	1,234	782	1,360
FCF	(1,817)	(666)	(298)	133
Total Adjusted Debt	6,385	4,124	5,221	2,340
Funds Flow from Operations	3,667	979	559	1,367
Capex	(3,772)	(663)	(1,119)	(646)
Credit Metrics (x)				
EBITDA/Gross Interest Coverage	5.20	5.16	2.89	8.45
Debt/FFO	1.74	4.21	9.34	1.71
Debt/EBITDA	3.17	3.34	6.68	1.72
FFO Interest Coverage	10.45	5.1	3.06	9.49
Capex/Depreciation (%)	479.9	205.26	318.8	272.57

IDR - Issuer Default Rating.
Source: Company data, Fitch.

Sector Outlook Distribution



Source: Fitch.

Key Rating Issues

Operating Environment

The operating environment for EXC's merchant generation business is expected to remain challenging, with sluggish demand and low natural gas and power prices likely to persist for several years with a downtrend in gross margin. Favorably, the recently announced reductions in the common stock dividend and merchant capital investments will reduce cash outflows by more than $5 billion over the next five years, easing the pressure on cash flow and credit quality measures during a low point in the commodity cycle.

Hedging Strategy

Exgen employs a three-year ratable hedging strategy to limit cash flow volatility and commodity price risk. The strategy targets a financial hedge range of 90%–98% in the prompt year, 70%–90% in the second year, and 50%–70% in the third year. Hedging in years two and three are currently below ratable, reflecting relatively weak forward power prices. Realized energy prices in existing hedges trend downward through 2014. In 2015, there is a modest uptick in the weighted average hedge price, reflecting an improvement in the Mid-Atlantic and New York markets and a further decline in the Midwest, ERCOT, and New England. Expected generation declines in each of the three years.

Com

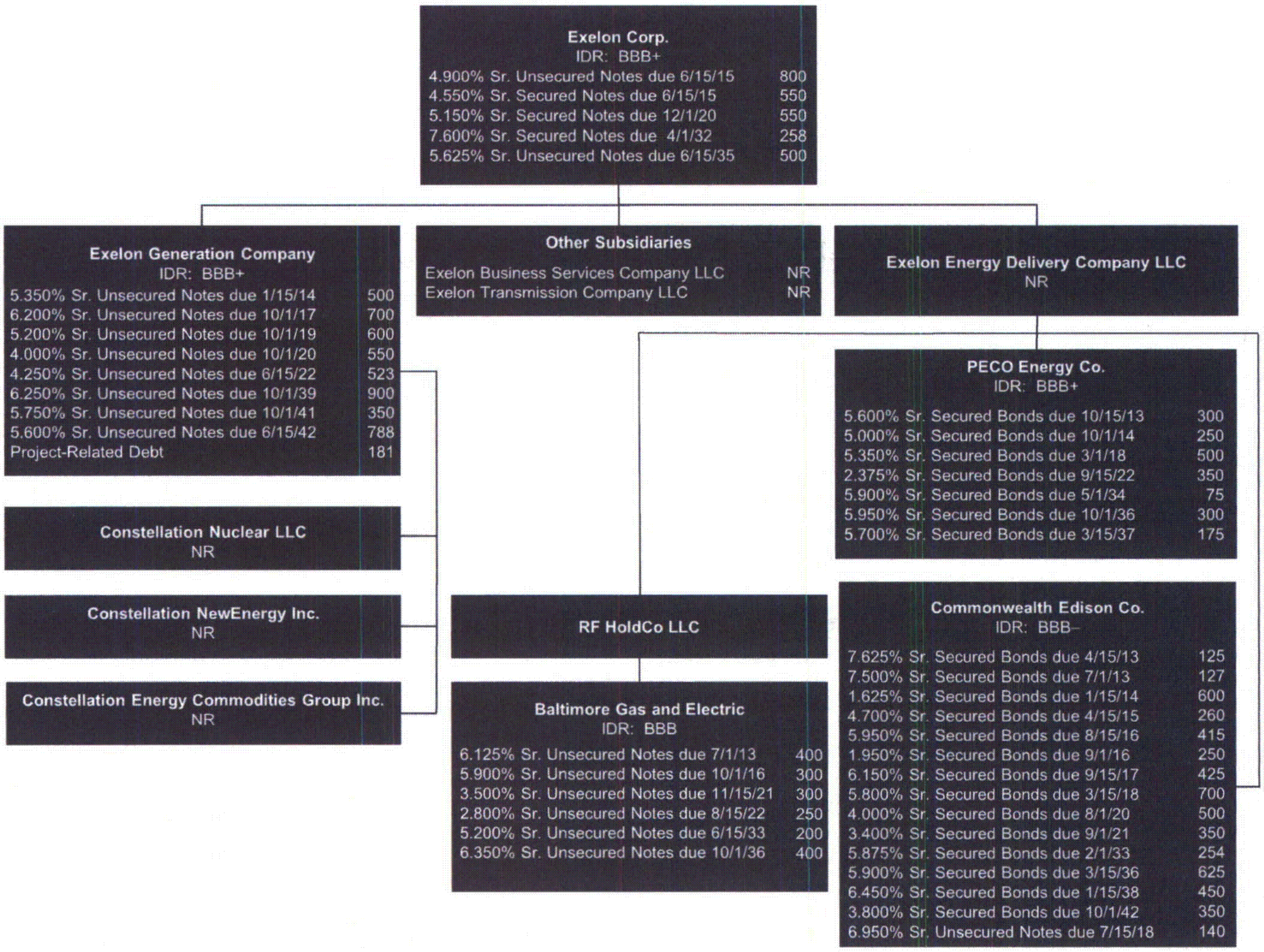
Approximately 80% of Exgen's electricity production from owned generation is derived from base load nuclear generating facilities that are low on the dispatch curve and likely to be dispatched under almost any price scenario. The low marginal cost generating fleet stands to benefit from any uplift in power prices from higher environmental costs and plant retirements, and requires limited environmental remediation expenditures.

Revised Growth Plan

In November 2012, management revised downward an aggressive investment program initially unveiled in February 2012. The revised plan is driven by lower earnings and cash flow expectations from the continued weakness in wholesale power markets across the U.S. and tightening margins in the retail supply business. Planned capex was reduced $2.3 billion to $7.6 billion over the 2013–2015 time frame, primarily by eliminating investments in unidentified renewable projects and deferring planned nuclear uprates at the LaSalle and Limerick units, totaling nearly 600 MW, to beyond 2019. Approximately $1.7 billion of growth capex remains in the budget, including $500 million for nuclear uprates totaling 270 MW, to be completed by 2016 and completing the build-out of the Antelope Valley Solar ranch ($775 million). The remainder is for upstream gas projects ($175 million) and new generation in Maryland ($225 million), required as part of the Constellation merger approval. Fitch believes other investments are likely, but will be limited to contracted renewables or possibly distressed merchant assets in regions that have a well-functioning capacity market and/or a tight reserve position.

Organizational Structure

Organizational Structure — Exelon Corp.
($ Mil., As of Dec. 31, 2012)



IDR – Issuer Default Rating. NR – Not rated.
Source: Company filings, Bloomberg, and Fitch Ratings.

Definitions

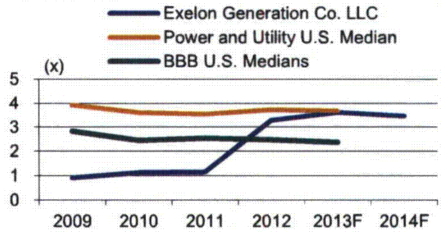
- Leverage: Gross debt plus lease adjustment minus equity credit for hybrid instruments plus preferred stock divided by FFO plus gross interest paid plus preferred dividends plus rental expense.
- Interest Cover: FFO plus gross interest paid plus preferred dividends divided by gross interest paid plus preferred dividends
- FCF/Revenue: FCF after dividends divided by revenue.
- FFO/Debt: FFO divided by gross debt plus lease adjustment minus equity credit for hybrid instruments plus preferred stock.

Fitch's expectations are based on the agency's internally produced, conservative rating case forecasts. They do not represent the forecasts of rated issuers individually or in aggregate. Key Fitch forecasts assumptions include:

- Gas and power prices in line with current forwards.
- Discretionary renewable investments, if any, are funded with non-recourse debt.
- Existing hedge policy remains in place.
- Projected merger related synergies are achieved by 2014.

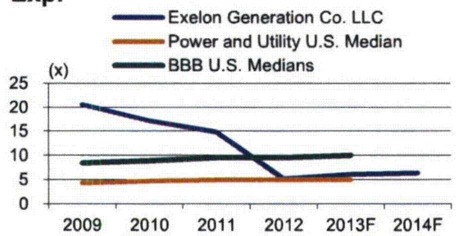
Key Metrics

Leverage: Total Adj. Debt/Op. EBITDAR



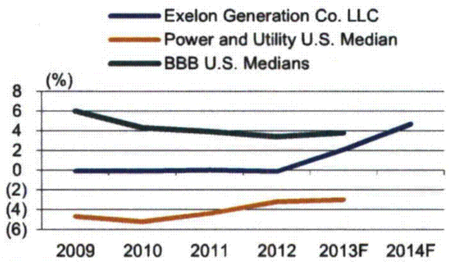
F – Forecast.
Source: Company data, Fitch.

Int. Coverage: Op EBITDA/Gross Int. Exp.



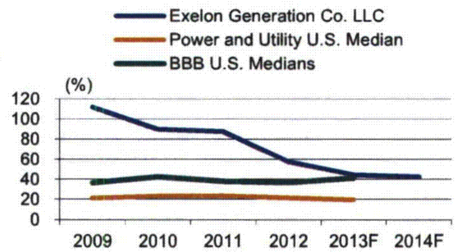
F – Forecast.
Source: Company data, Fitch.

FCF/Revenues



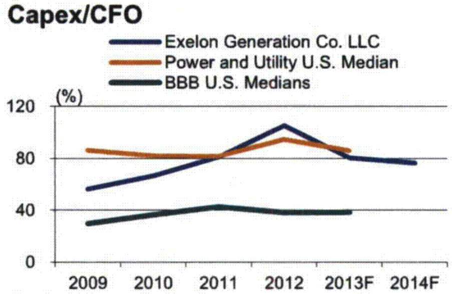
F – Forecast.
Source: Company data, Fitch.

FFO/Debt



F – Forecast.
Source: Company data, Fitch.

Capex/CFO



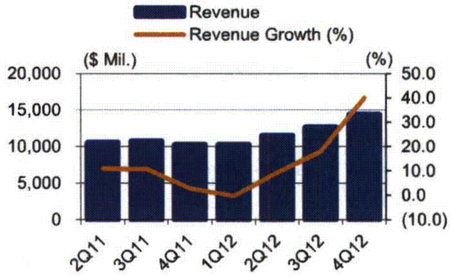
F – Forecast.
Source: Company data, Fitch.

Company Profile

Exgen, a subsidiary of EXC, is the largest merchant power generator and the single largest owner of nuclear generation in the U.S. Generating resources aggregated 44.0 GW as of Dec. 31, 2012, including 32.8 GW of owned generation, 9.0 GW controlled through long-term contracts, and 2.0 GW from its 50.1% ownership of Constellation Energy Nuclear Group, LLC. Nuclear capacity totaled 17 GW, consisting of 11 stations and 19 units. Nuclear generation accounted for approximately 53% of total electricity output, fossil and renewables 12%, and purchases 35% in 2012. The nuclear capacity factor of Exgen-operated plants was 92.7% in 2012, 93.3% in 2011, and 93.9% in 2010. Constellation, a unit of Exgen, markets energy from the generation portfolio in the wholesale bilateral and spot markets, and provides retail electric and gas service as an unregulated retail energy supplier.

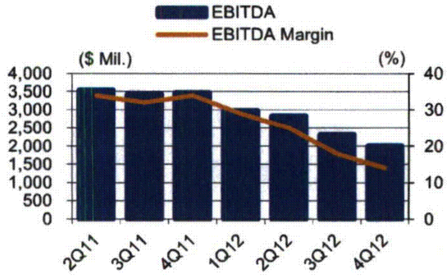
Business Trends

Revenue Dynamics



Source: Company data, Fitch.

EBITDA Dynamics



Source: Company data, Fitch.

Financial Summary — Exelon Generation Co. LLC

($ Mil., Fiscal Years Ended Dec. 31)	2008	2009	2010	2011	LTM Ended 12/31/12
Fundamental Ratios (x)					
FFO/Interest Expense	24.42	21.51	18.16	15.72	10.45
CFO/Interest Expense	24.90	23.08	15.65	15.10	10.23
FFO/Debt (%)	156.01	111.86	90.01	87.49	57.44
Operating EBIT/Interest Expense	21.56	18.60	14.79	12.31	3.17
Operating EBITDA/Interest Expense	23.10	20.53	17.14	14.79	5.20
Operating EBITDAR/(Interest Expense + Rent)	19.99	17.83	15.10	13.16	4.74
Debt/Operating EBITDA	0.65	0.89	1.11	1.14	3.17
Common Dividend Payout (%)	67.82	107.26	76.47	9.71	289.32
Internal Cash/Capital Expenditures (%)	146.17	74.64	75.22	117.03	51.83
Capital Expenditures/Depreciation (%)	693.71	644.19	416.87	460.38	479.90
Profitability					
Adjusted Revenues	10,754	9,703	10,025	10,308	14,437
Net Revenues	7,182	6,771	6,562	6,858	7,376
Operating and Maintenance Expense	2,717	2,938	2,812	3,148	5,028
Operating EBITDA	4,297	3,655	3,548	3,475	2,017
Depreciation and Amortization Expense	286	344	486	583	786
Operating EBIT	4,011	3,311	3,062	2,892	1,231
Gross Interest Expense	186	178	207	235	388
Net Income for Common	2,278	2,122	1,972	1,771	562
Operating and Maintenance Expense % of Net Revenues	37.83	43.39	42.85	45.90	68.17
Operating EBIT % of Net Revenues	55.85	48.90	46.66	42.17	16.69
Cash Flow					
Cash Flow from Operations	4,445	3,930	3,032	3,313	3,581
Change in Working Capital	89	280	(521)	(147)	(86)
Funds from Operations	4,356	3,650	3,553	3,460	3,667
Dividends	(1,545)	(2,276)	(1,508)	(172)	(1,626)
Capital Expenditures	(1,984)	(2,216)	(2,026)	(2,684)	(3,772)
FCF	916	(562)	(502)	457	(1,817)
Net Other Investment Cash Flow	17	(4)	23	(6)	1,164
Net Change in Debt	(13)	481	683	(2)	879
Net Equity Proceeds	86	57	62	30	48
Capital Structure					
Short-Term Debt	—	—	—	2	—
Long-Term Debt	2,792	3,262	3,946	3,952	6,385
Total Debt	**2,792**	**3,262**	**3,946**	**3,954**	**6,385**
Total Hybrid Equity and Minority Interest	1	2	5	5	1,337
Common Equity	6,565	6,790	7,172	8,703	12,557
Total Capital	**9,358**	**10,054**	**11,123**	**12,662**	**20,279**
Total Debt/Total Capital (%)	29.84	32.44	35.48	31.23	31.49
Total Hybrid Equity and Minority Interest/Total Capital (%)	0.01	0.02	0.04	0.04	6.59
Common Equity/Total Capital (%)	70.15	67.54	64.48	68.73	61.92

Source: Company reports.

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

MOODY'S
INVESTORS SERVICE

Credit Opinion: Exelon Generation Company, LLC

Global Credit Research - 12 Feb 2013

Chicago, Illinois, United States

Ratings

Category	Moody's Rating
Outlook	Stable
Issuer Rating	Baa2
Senior Unsecured	Baa2
Pref. Shelf	(P)Ba1
Commercial Paper	P-2
Parent: Exelon Corporation	
Outlook	Stable
Issuer Rating	Baa2
Senior Unsecured	Baa2
Subordinate Shelf	(P)Baa3
Pref. Shelf	(P)Ba1
Commercial Paper	P-2

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Key Indicators

[1]**Exelon Generation Company, LLC**

	LTM09/30/2012	2011	2010	2009
(CFO Pre-W/C + Interest) / Interest	10.7x	15.7x	14.1x	15.3x
(CFO Pre-W/C) / Debt	40.1%	85.5%	67.9%	75.9%
RCF / Debt	31.5%	81.7%	46.6%	34.6%
FCF / Debt	-6.4%	29.5%	-2.1%	-4.1%

[1] All ratios calculated in accordance with the Unregulated Utilities and Power Companies Rating Methodology using Moody's standard adjustments.

Note: For definitions of Moody's most common ratio terms please see the accompanying User's Guide.

Opinion

Rating Drivers

Strong credit metrics, albeit declining from recent historical levels

Challenging environment for unregulated power companies

Revised common dividend policy will improve internal cash flow generation

Sizeable capital investment plan continues, even with announced deferrals

Hedging and commercial strategies influence cash flow predictability

Competitive position & consistent operations important to long-term credit quality

Substantial tolling obligations impact credit quality

Corporate Profile

Exelon Generation Company, LLC (ExGen; Baa2, stable) is one of the largest competitive electric generation companies in the US, as measured by owned and controlled megawatts(MW). At December 31, 2011, ExGen owned generation assets with a net capacity of 25,544 MW, including 17,115 MW of nuclear capacity. In addition, ExGen controlled another 5,025 MW of capacity through long-term contracts. With the March 12, 2012 completion of the Constellation Energy Group, Inc. (CEG) merger, the company added 11, 751 MW of net capacity and 1,100 MW under long-term tolling obligations. ExGen also owns the largest retail supply business that serves about 170 terawatt-hours of load consumed by 35,000 commercial and industrial customers and millions of households through retail and wholesale sales contracts. ExGen is regulated by the Federal Energy Regulatory Commission (FERC) and by the Nuclear Regulatory Commission (NRC).

At September 30, 2012, ExGen had total assets of $41.09 billion. ExGen is a wholly-owned subsidiary of Exelon Corporation (Exelon; Baa2, stable).

SUMMARY RATING RATIONALE

ExGen's Baa2 senior unsecured rating reflects our expectation for declining but still strong credit metrics balanced against the financial and business risks associated with managing a challenging and highly competitive commodity business in the wholesale and retail unregulated power market. The rating recognizes the strong competitive position of ExGen's assets, the bulk of which are nuclear generation, which remain among the first units dispatched in most wholesale markets. This competitive strength is balanced by the company's reliance on earnings and cash flow from the Middle Atlantic and Northern Illinois regions where varying degrees of margin compression persists. The rating recognizes the importance to which strong operating performance remains critical to ExGen's success given its large nuclear footprint, but also recognizes the continued need for regular maintenance expenditures and capital requirements, some of which are required by the NRC. The rating further considers the parent's recent decision to reduce its dividend by 40% enhancing free cash flow prospects by more than $700 million. While this change in dividend policy will help to stabilize ExGen credit quality over time, the subsidiary is expected to continue to provide a material component of dividends through the end of 2014, a period where we anticipate margin compression to be most acute.

DETAILED RATING CONSIDERATIONS

Strong credit metrics, albeit declining from recent historical levels

From 2009 through 2011, we calculate that the three year average for ExGen's standalone cash flow (CFO pre-W/C) to debt at 88%, retained cash flow to debt at 54%, cash flow coverage of interest expense at 15.0x, and free cash flow to debt at 7.5%. By comparison, through 12 months ending 09/30/2012, we calculate ExGen's cash flow to debt at 40.1%, retained cash flow to debt at 31.5%, cash flow coverage of interest expense of 10.7x with negative free cash flow to debt of (6.4%).

On a prospective basis, when one factors in the company's ongoing plan to move holding company debt to the ExGen subsidiary and considers the tolling obligations at ExGen (including those assumed with the CEG merger), our financial model calculates that the three year average for the 2013-2015 will result in ExGen's cash flow to debt declining to a range of 27- 30%, retained cash flow to debt declining to 22%, cash flow interest coverage ratio being above 6.0x , while being modestly free cash positive over this timeframe.

ExGen operates in a very challenging sector

The unregulated power sector remains very challenged. Several factors attributed to our negative outlook for the sector include sustained low natural gas prices; tepid economic growth which affects the demand for electricity; increased operating costs, including pension obligations; the increased use of renewable resources which affects non-peak prices and the broader acceptability of energy efficiency products which may be permanently reducing electric load in some regions. A more unsettling factor is our view that many of the factors affecting profitability and cash flows for unregulated companies are largely beyond management's control. A related challenge for this sector is the ability to organically grow business activities, particularly in a shareholder and creditor neutral manner.

We believe that a motivating factor behind the CEG merger was to address the expected declining earnings trend and weaker cash flow profile that began last year. The merger should garner the strategic benefits of linking a company that is long on generation with a company that is long on customer load. As a byproduct of this linkage, the merger has considerably reduced consolidated liquidity requirements and should enable ExGen to receive somewhat better margins for its electric output given the stickiness of customer load. That being said, we believe that the better balanced combined merchant operation still remains exposed to earnings and cash flow volatility due to the large size of the unregulated business platform where financial results will remain heavily influenced by market determined commodity pricing levels.

Common dividend requirement has been reevaluated; a credit stabilizing event

On February 7th, Exelon announced that it would reduce its common dividend by 40% enhancing retained cash flow and free cash flow across the company by more than $700 million on an annual basis. We view this action along with the decision to defer growth capital investment as tangible examples of management's strong commitment to maintain an investment grade rating across all Exelon legal registrants. While this decision has indirect longer-term benefits to ExGen, Exelon will continue to lean on ExGen for dividends in 2013 and 2014, a period when margin prospects remain compressed at this subsidiary. However, over time, Exelon's common dividend reduction will lead to the collective earnings from the rate regulated subsidiaries being able to largely satisfy parent's debt servicing and dividend funding requirements, a credit positive for both ExGen and Exelon.

Sizeable capital investment plan continues, even with announced deferrals

ExGen continues to have substantial capital requirements to maintain the operation of its generation fleet. During 2012, ExGen spent $3.7 billion at its unregulated platform. In October 2012, the company announced that it would defer $1.025 billion of capital investment for extended power nuclear up-rates at its LaSalle and Limerick plants until 2017 and that it also removed $1.25 billion of growth capital investments for new renewable projects from its capital budget. As such, 2013 capital investment at ExGen is expected to be $2.85 billion, with 2014 and 2015's capital investments being somewhat lower at approximately $2.3 billion and $2.5 billion, respectively. With the above referenced Exelon dividend reduction, management has stated that the improved cash flow generation will be used for growth initiatives across the company that enhances shareholder value. While these initiatives could include incremental rate regulated and contracted generation investments, both of which we would likely view as benign to ExGen and Exelon's credit quality, we also believe that given ExGen's sizeable unregulated footprint in the wholesale and retail energy space, incremental investments intended to augment this position remain possible. In that vein, we believe that ExGen's current strong position within the Baa2 rating category should enable the company to more freely pursue growth initiatives across the entire energy spectrum.

Hedging strategies influence cash flow predictability

As an unregulated wholesale energy company whose gross margin can be materially impacted by changes in commodity prices, a company's commercial strategy remains an important rating factor. Exelon continues to manage its ratable hedging program over a 36 month cycle with targets of 90% or more of expected generation hedged in the first year, 70-90% in the second year, and less than 50% in the third year. At December 31, 2012, we understand that ExGen was 94-97% hedged for 2013, 62%-65% for 2014 and 27%-30% for 2015.

Competitive position & consistent operations remain long-term strengths

As the largest owner and operator of nuclear generation in the US, Exelon has a strong competitive position and continues to demonstrate an outstanding record as a plant operator, particularly as a nuclear operator. That being said, we observe that the region primarily served by ExGen's fleet, the northern Illinois and portions of the mid-atlantic region, receives lower prices for electricity than some of their peers that own assets in other geographic regions where prices are higher. In the intermediate-term, we expect its competitive position, from a cost standpoint, to remain largely unchanged, as we understand that projected capital expenditues include approximately $350 million of capital expenditure requirements for expected NRC imposed requirements following the Fukushima incident. We do incorporate a view that capacity reductions from anticipated coal plant shut-downs in the region should lower reserve margins (and possibly enhance capacity revenues) but we believe that such closures are less likely to enhance energy margins given the outlook for natural gas, the fact that most of the plants that will shut down operate at low capacity factors coupled with a continuing slow economic recovery. Longer-term, the potential implications of EPA regulations should enhance profitability expectations as any incremental environmental control related costs are likely to result in a higher margin potential for Exelon.

Substantial off-balance sheet commitments for capacity and energy

Through September 30, 2012, ExGen's short-term and long-term commitments for capacity approximated $2.1 billion. These commitments provide ExGen access to electric generation from various power plants throughout the country and are a core component of ExGen's unregulated wholesale and retail platform. We currently believe that several of these tolls are underwater based upon market prices for electricity, weakening ExGen's credit quality. ExGen has mitigated some of this exposure through the sale of its rights to Georgia Power for all 945 MW of capacity under a long-term contract with Tenaska Georgia Partners, LP for a 20 year period that began on June 1, 2010. Similarly, beginning on June 1, 2012 and lasting for 10 years, ExGen sold its rights on 520 MW (2/3) of the electric capacity with Green Country Energy, LLC to Public Service Company of Oklahoma.

Liquidity

Overall, we believe that ExGen has amply sized liquidity. Beginning in 2013, Exelon's liquidity arrangements supporting its unregulated power business equal nearly $6.2 billion, $500 million at Exelon and nearly $5.7 billion at ExGen. In August 2012, these facilities along with credit facilities at two of Exelon's regulated subsidiaries were extended to August 2017. At January 30, 2013, Exelon and ExGen had no commercial paper outstanding, but had $1.7 billion of letters of credit outstanding, leaving ample availability under these credit facilities of $4.5 billion.

The core syndicated credit facilities are used primarily to provide liquidity support and for the issuance of letters of credit. While the credit agreements do not contain any rating triggers that would affect borrowing access to the commitments and do not require material adverse change (MAC) representation for borrowings or the issuance of LOCs, there is a financial covenant for each entity, all of which were compliant.

At September, 30, 2012, in the event that ExGen were downgraded below investment grade, ExGen could be required to post additional collateral of $2.0 billion at September 30, 2012.

During 2012, ExGen was an active issuer of long-term capital market debt. On June 18, 2012, ExGen issued $775 million of senior unsecured notes, including $275 million of 4.25% notes due 2022 and $500 million of 5.60% notes due 2042. Concurrent with the new debt issuance, ExGen announced an exchange offer of Exelon's 7.6% $700 million senior unsecured notes due 2032 (formerly CEG obligations assumed by Exelon) into either ExGen 4.25% senior unsecured notes due 2022 or ExGen's 5.60% senior unsecured notes due 2042. ExGen purchased $442 million of the old notes in exchange for issuing $537 million of senior unsecured notes due in 2022 and 2042, plus a cash payment of approximately $60 million.

For additional information on the consolidated liquidity profile at Exelon, the parent of ExGen, please refer to the Exelon Credit Opinion, which can be found on www.moodys.com.

Structural Considerations

Within the last several years, Exelon has refinanced holding company debt with debt issued at ExGen. Exelon currently has $1.3 billion of remaining holding company debt, $800 million that matures in 2015 and $500 million that matures in 2035. Additionally, at merger close, Exelon legally assumed the obligations of CEG's publicly-held debt, guarantees and other contracts at merger close adding $1.8 billion of senior debt and $450 million of subordinated debt to Exelon. As discussed under the Liquidity section, approximately $442 million of the old notes (CEG debt assumed by Exelon) were exchanged into $537 million of ExGen securities. For these reasons, when evaluating ExGen, we examine historical and projected financial metrics for ExGen with the debt of Exelon holding company incorporated into the analysis.

Rating Outlook

The stable rating outlook for ExGen considers the benefits to credit quality from deferring growth capital investments and from the parent's decision to reduce the common dividend by 40%. The stable rating outlook factors in our belief that ExGen is strongly positioned as a mid-Baa company during the current down cycle that also incorporates some degree of financing flexibility which should help facilitate incremental growth prospects as they arise.

What Could Change the Rating - Up

In light of the most recent negative rating action in February that lowered ExGen's long-term rating to Baa2 along with a continuing negative rating outlook for the unregulated power sector, it is unlikely for ExGen's ratings to upgraded over the next several years.

What Could Change the Rating - Down

ExGen's rating is strongly-positioned in the mid-Baa rating category and its hedging strategy enhances the reliability of its near-term cash flow. The rating, however, could be downgraded if weaker than expected financial performance surfaced either as a result of a further sustained drop in operating margins across the sector or a substantial outage at several of the company's generating assets resulting in negative free cash flow being financed with material incremental indebtedness. Specifically, ExGen's ratings could be downgraded if cash flow to debt declined to the low twenties percentages, retained cash flow to debt fell below 15%, cash flow interest coverage was below 5.0x and material negative free cash flow surfaced on a sustained basis.

Other Considerations

Moody's evaluates ExGen's financial performance relative to the Unregulated Utility and Power Company methodology and as depicted below, ExGen's indicated rating under the grid based on historical results is Baa1, while the indicated rating based on projected (next 12-18 months) results is Baa2.

Rating Factors

Exelon Generation Company, LLC

Power Companies [1][2]	**LTM09/30/2012**		**Moody's 12-18 month Forward View* As of February 2013**	
Factor 1: Market Assessment, Scale and Competitive Position (20%)	**Measure**	**Score**	**Measure**	**Score**
a) Market and Competitive Position (15%)		A		A
b) Geographic Diversity (5%)		Baa		Baa
Factor 2: Cash Flow Predictability of Business Model (20%)				
a) Hedging strategy (10%)		Baa		Baa
b) Fuel Strategy and mix (5%)		Ba		Ba
c) Capital requirements and operatinal performance (5%)		Baa		Baa
Factor 3: Financial policy (10%)		Baa		Baa
Factor 4: Financial Strength - Key Financial Metrics (50%)				
a) CFO pre-WC + Interest / Interest (15%) (3yr Avg)	13.2x	Aa	6.0 - 7.0x	Baa
b) CFO pre-WC / Debt (20%) (3yr Avg)	57.7%	A	27 - 30%	Baa
c) RCF / Debt (7.5%) (3yr Avg)	44.8%	A	21 - 23%	Baa
d) FCF / Debt (7.5%) (3yr Avg)	0.8%	Ba	0% - 4%	Ba
Rating:				
a) Indicated Rating from Grid		Baa1		Baa2
b) Actual Rating Assigned		Baa2		Baa2

* THIS REPRESENTS MOODY'S FORWARD VIEW; NOT THE VIEW OF THE ISSUER; AND UNLESS NOTED IN THE TEXT DOES NOT INCORPORATE SIGNIFICANT ACQUISITIONS OR DIVESTITURES

[1] All ratios are calculated using Moody's Standard Adjustments. [2] As of 09/30/2012(L); Source: Moody's Financial Metrics

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Summary:
Exelon Generation Co. LLC

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Table Of Contents

Summary:

Exelon Generation Co. LLC

Corporate Credit Rating	BBB/Stable/A-2

Profile Assessments

BUSINESS RISK	STRONG	Vulnerable — Excellent
FINANCIAL RISK	SIGNIFICANT	Highly leveraged — Minimal

Rationale

Business Risk: Strong	Financial Risk: Significant
• Low-cost base-load generation • Strong operating track record • Exposure to market prices of a price-taking fleet • A capacity market that is still not responding to price signals • Exposure to nuclear generation	• Backdated EBITDA profile and potential for a significant decline in cash flow • Positive operating cash flow • Strong liquidity position

Outlook: Stable

The outlook on Exelon Generation Co. LLC's (ExGen) ratings is stable. That said, we believe that higher natural gas production from shale gas plays and a delay in environmental rules related to plant retirements can significantly hurt the company's financial performance. We believe these headwinds have increased and parent Exelon Corp. faces a potential earnings decline in 2014. If the prevailing commodity environment persists, the company may have to address its declining earnings profile by reducing capital spending. We expect Exelon Corp. to maintain consolidated funds from operations to debt ratios of over 22% to preserve ratings. This is largely contingent on ExGen maintaining funds from operations (FFO) to debt of at least 27%

Downside scenario

We could lower the ratings if adjusted FFO to debt at parent Exelon is consistently lower than 22%. This could happen if ExGen's FFO to debt declines below 25%. Because of increasing competition in its markets in Pennsylvania and Illinois, which would threaten customer retention in its retail business. Gross margins could also be pressured by a further decline in power prices brought about by deckling natural gas prices, or lower market heat rates due to increasing energy efficiency.

Upside scenario

A positive outlook--currently not under consideration--can result if natural gas prices stabilize and power prices respond favorably to coal-plant retirements, resulting in an improvement in consolidated FFO to debt levels of more than 28% on a sustained basis. This could stem from an improved economy and higher electricity prices, as well as a robust increase in the rate base of Exelon's regulated utility subsidiaries.

Standard & Poor's Base-Case Scenario

Assumptions

- Henry Hub gas price between $3.50 and $3.75 through 2016; power prices in the PJM West Hub are between $40.50 per megawatt-hour (MWh) and $43 per MWH in 2016; Northern Illinois hub between $33 per MWh in 2014 and $34.50 per MWh by 2016.
- Pensions/other post-employment benefits (OPEB): Based on Dec. 31, 2012 actuarial valuation by Towers (a third party firm)
- 50% bonus depreciation in 2013
- Nuclear capacity factors: between 93.3% and 93.7% through 2017

Key Metrics

Exelon Corp.	2013E	2014E	2015E
FFO/debt (%)		35-40	35-40
Debt/EBITDA (x)	5.0-5.2	4.0-4.2	3.6-3.8

E--Estimated.

Business Risk: Strong

Standard & Poor's Ratings Services' corporate credit rating on energy supply company ExGen reflects the consolidated business risk profile of parent Exelon, which we view as "strong." In turn, Exelon's business risk profile reflects the higher-risk operations of unregulated ExGen, which has increased in size to subsume Constellation Energy Corp.'s unregulated businesses. Exelon's business risk also reflects the "excellent" business risk profiles of regulated energy delivery businesses Commonwealth Edison Co. (ComEd), PECO Energy Co. (PECO), and Baltimore Gas & Electric Co. (BGE), which have generally predictable transmission and distribution cash flows.

As of June 30, 2013, ExGen had about $7.5 billion of on-balance-sheet debt. We also impute about $1.5 billion of debt related to pensions and OPEB underfunding, and $1.4 billion of debt imputation for power purchase agreements (PPA). We also load $1.5 billion of parent Exelon-level debt. This is offset by about $1.2 billion of off-balance-sheet credit for nonrecourse project financing.

On a consolidated basis, Exelon (excluding BGE) had about $16.7 billion of on-balance-sheet debt. We also impute a significant amount of debt to Exelon, as much as $4.2 billion (excluding BGE imputed debt as of June 30, 2013), which consists mostly of about $2.2 billion related to pension/OPEB, about $500 million related to operating leases, and about $1.4 billion related to PPAs.

After the merger with Constellation, ExGen engages in unregulated energy generation, wholesale power marketing, and energy delivery. The company has long-term exposure to market risk and meaningful exposure to nuclear plants (19 gigawatts [GW] across 23 units). The company has about 35 GW of generating capacity and 415 billion cubic feet (bcf) of natural gas business.

Through retail and wholesale channels, ExGen now provides about 155 terawatt-hours, or about 4.75% to 5%, of total U.S. power demand. The company's generation units are well positioned to grow where capacity available for competitive supply has room to grow. We expect these incremental revenue streams to make the consolidated Exelon somewhat more resilient to commodity prices. Exelon's 2012 combination with Constellation provides it with regional diversification of its generation plants and a customer-facing load business because generation and load positions are now better balanced across multiple regions. In most locations, ExGen will have adequate intermediate and peaking capacity within the portfolio for managing load shaping (matching resources with energy needs) risks. However, the company will still need to buy and sell generation in the market to manage portfolio needs, in our opinion. Moreover, ExGen has a significant open position in the Midwest (exposed to merchant market), and somewhat tight positions in Texas and New England, where it has some risk of finding itself short when loads are high, in our opinion.

ExGen's cash flow is sensitive to commodity prices because almost 82% of its generation is nuclear, all of which sliding natural gas prices are impairing. ExGen's unregulated operations accounted for about 65% of the consolidated enterprise by cash flow and capital spending in 2012. Given that base-load generation is price-taking, we expect ExGen's adjusted FFO to debt to remain volatile relative to its peers. For instance, all else remaining equal, we estimate gross margins in 2015 will be lower by about $575 million for every $5 per megawatt–hour (MWh; round-the-clock) decline in power prices, about $375 million for every $1 per million cubic feet (mcf) decline in gas prices, and about $85 million for every $1 per MWh decline in retail margins.

As a result, ExGen's contribution to the overall Exelon cash flow declines to about 60% under our projected base case, because of the decline in unregulated cash flow when commodity prices fall. However, despite the lower power prices, we view the business risk profile of parent Exelon as strong. We expect financial measures to decline through 2015. However, the corporate credit ratings reflect our expectation that 2014-2015 will be the trough years. Based on the present forward curve, cash flow measures are adequate for the rated level in that year, especially after parent Exelon announced significantly reduced dividend payouts and ExGen deferred/eliminated some planned capital spending. However, despite the improvement in free operating cash flow, as a result of the decline in future gross margins, we view Exelon's cash flow adequacy ratio as having "significant" financial risk.

We view ExGen's ratable hedging strategy favorablybecause it ensures that a high percentage of the company's near-term generation is locked in. Hedging not only protects unregulated generation cash flows from steep price declines, it also provides the company time to adjust its cost structure or its capital structure, should prices remain depressed. However, hedging activities insulate, but do not isolate, power merchants from commodity price effects. Current hedges show the significant value of Exelon's hedging program. Even though these hedges insulate ExGen, perversely, they also show the sensitivity of ExGen's margins to the prospect of a continued shale gas production onslaught. The decline in mark-to-market value through 2014 shows the limit to which Exelon can hedge--a price-taking fleet can hedge, but only at the prices the market will bear. Also, the merchant generation margins at ExGen will face a decline as high-priced hedges expire, evident in the drop in wholesale hedged gross margins. Still, the forward prices do show a contango, as reflected in the increase in ExGen's open EBITDA from higher natural gas forward prices. In addition, although retail competition has increased, and ExGen has lowered its growth estimates, we believe retail contributions can mitigate the wholesale decline, given the potential for cost savings, volumes gained from the Constellation merger, and acquisitions.

Financial Risk: Significant

Because of the decline in commodity prices, we expect ExGen's FFO to debt to range around 40% in 2014. Although ExGen's cash flows are relatively more volatile compared with peers because of the larger base-load generation, the low variable cost (and highly depreciated nature) of its nuclear plants means that natural gas prices must decline and stay below $2.75 per mcf before its FFO to debt falls below 20%.

We still view parent Exelon's internal funding as "aggressive," but view Exelon's decision to lower its dividends as bolstering credit quality. Dividend payout is now in line with peers (at about 55% to 60%). However, Exelon's capital spending requirements remain significant between 2013 and 2015,$8 billion for the regulated companies and about $7.6 billion at unregulated ExGen. Although utility capital spending tends to be funded in rate base, unregulated generation will have to fund its own capital requirements and recover them in market prices. Importantly, because of announced cuts, consolidated cash flow from operations will largely cover capital spending and dividends, resulting in modest external financing needs. Still, incrementally lower gas prices would hurt ExGen's debt protection measures more than the level of new debt financing, or operating and maintenance cost increases in ExGen's forecast through 2015.

Under our consolidated base case (we assume lower gas prices and market heat rates that result in power prices roughly 10% lower than the current forward contracts), we expect Exelon's FFO to total debt of the company to decline to hoveraround 27% to 29% through 2015. We expect free operating cash flow to debt to remain positive even in 2013 and 2014 when we expect financial measures to trough. Importantly, we expect to see the negative discretionary cash flow (after dividends) to improve meaningfully. Similarly, we expect debt to EBITDA to decline to about 4.2x in 2014. These ratios are consistent with Standard & Poor's 'BBB' rating guideposts for a financial risk profile we assess as "significant," especially because a meaningful amount of capital spending is discretionary (ExGen has lowered capital spending estimates in 2014 by more than $2.3 billion since July 2012 estimates).

Liquidity: Strong

The short-term rating on Exelon and affiliates is 'A-2'. Standard & Poor's views the liquidity across the Exelon group of companies as "strong," in light of the debt maturities we expect and available credit facilities. We estimate that sources of cash will exceed the companies' uses by about 2x during the next 12 to 24 months. We expect sources over uses for Exelon and ExGen to remain positive even if EBITDA declines by 50%. In addition, because of Exelon's solid relationships with banks and high conversion of FFO to discretionary cash flow, we believe the company can absorb low-probability, high-impact shocks.

Exelon has sufficient alternative sources of liquidity to cover current liquidity needs, including ongoing capital requirements, moderate capital spending, and upcoming debt maturities. Ironically, declining power prices are favorable from a liquidity perspective because cash is being posted to ExGen on its forward hedges. The next large maturities are in 2015 for Exelon and 2014 for ExGen.

As of June 30, 2013, Exelon, ExGen, ComEd, PECO, and BGE had credit facilities of $500 million, $5.7 billion, $1 billion, $600 million, and $600 million, respectively. These facilities expire between December 2015 and August 2018. Availability as of June 30, 2013, under these facilities was $498 million for Exelon; $4.1 billion for ExGen; and $626 million, $599 million, and $600 million for ComEd, PECO, and BGE, respectively.

Principal Liquidity Sources	Principal Liquidity Uses
• Assumed FFO of about $3.4 billion to $3.7 billion • Revolver availability	• Working capital • The annual maturities for the next two years are about $650 million and $550 million • Capital spending and maintenance and environmental costs of about $2.4 billion to $2.7 billion, annually, through 2015.

Related Criteria And Research

- Business Risk/Financial Risk Matrix Expanded, Sept. 18, 2012
- Liquidity Descriptors For Global Corporate Issuers, Sept. 28, 2011

Business And Financial Risk Matrix

	Financial Risk					
Business Risk	Minimal	Modest	Intermediate	Significant	Aggressive	Highly Leveraged
Excellent	AAA/AA+	AA	A	A-	BBB	--
Strong	AA	A	A-	BBB	BB	BB-
Satisfactory	A-	BBB+	BBB	BB+	BB-	B+
Fair	--	BBB-	BB+	BB	BB-	B
Weak	--	--	BB	BB-	B+	B-
Vulnerable	--	--	--	B+	B	B- or below

Note: These rating outcomes are shown for guidance purposes only. The ratings indicated in each cell of the matrix are the midpoints of the likely rating possibilities. There can be small positives and negatives that would lead to an outcome of one notch higher or lower than the typical matrix outcome. Moreover, there will be exceptions that go beyond a one-notch divergence. For example, the matrix does not address the lowest rungs of the credit spectrum (i.e., the 'CCC' category and lower). Other rating outcomes that are more than one notch off the matrix may occur for companies that have liquidity that we judge as "less than adequate" or "weak" under our criteria, or companies with "satisfactory" or better business risk profiles that have extreme debt burdens due to leveraged buyouts or other reasons. For government-related entities (GREs), the indicated rating would apply to the standalone credit profile, before giving any credit for potential government support.

ATTACHMENT (3)

EXISTING EXECUTED SUPPORT AGREEMENTS

Form of SUPPORT AGREEMENT

Between

Exelon Generation Company, LLC

and

Calvert Cliffs Nuclear Power Plant, LLC
Nine Mile Point Nuclear Station, LLC, and
R. E. Ginna Nuclear Power Plant, LLC

THIS SUPPORT AGREEMENT, dated as of March 12, 2012 between Exelon Generation Company, LLC, and Calvert Cliffs Nuclear Power Plant, LLC, Nine Mile Point Nuclear Station, LLC and R. E. Ginna Nuclear Power Plant, LLC, each individually herein referred to as a "Subsidiary Licensee" and all collectively herein referred to as "Subsidiary Licensees."

WITNESSETH:

WHEREAS, through its intermediate subsidiary companies, Exelon Generation Company, LLC ("Exelon") is the indirect owner of 50.01% of the Subsidiary Licensees;

WHEREAS, EDF International, SAS ("EDFI"), through its intermediate subsidiary companies, is the indirect owner of 49.99% of the Subsidiary Licensees;

WHEREAS, the Subsidiary Licensees are the corporate entities that hold the NRC licenses for Calvert Cliffs Nuclear Power Plant, Unit Nos. 1 & 2, Operating Licenses DPR-53 & DPR-69, Nine Mile Point Nuclear Station, Unit Nos. 1 & 2, Operating Licenses DPR-63 & NPF-69, and R. E. Ginna Nuclear Power Plant, Operating License DPR-18 (individually, each a "Facility," and collectively the "Facilities");

WHEREAS, Exelon and the Subsidiary Licensees desire to take certain actions to assure the ability of the Subsidiary Licensees to pay their respective approved expenses of maintaining the Facilities safely and reliably and of protecting the public health and safety (the "Operating Expenses") and to meet Nuclear Regulatory Commission ("NRC") requirements during the life of each Facility (the "NRC Requirements");

WHEREAS, EDFI has entered into a separate agreement with the Subsidiary Licensees that has substantially the same terms and purposes as this Support Agreement (the "EDFI Agreement");

WHEREAS, Exelon and EDFI, as provided in the Third Amended and Restated Operating Agreement for Constellation Energy Nuclear Group, LLC dated as of March __, 2012 ("Operating Agreement"), plan to provide the Subsidiary Licensees with adequate resources for approved working capital and other needs on an ongoing basis through various mechanisms such as capital contributions, member loans or advances, or other mutually approved funding mechanisms as discussed in the Operating Agreement; however, if these funding sources, at any time, cannot meet those needs, then Exelon and EDFI have agreed to provide credit to the Subsidiary Licensees, in the manner as described below, to allow the Subsidiary Licensees to meet their obligations to protect public health and safety.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereto agree as follows:

1. *Availability of Funding.* Upon the written request of a Subsidiary Licensee, Exelon shall provide or cause to be provided to such Subsidiary Licensee such funds as the Subsidiary Licensee determines to be necessary to pay Operating Expenses or meet NRC Requirements at the same time or times as the same amount is paid by EDFI under the EDFI Agreement up to the limits set forth in that agreement; provided, however, that Exelon's maximum liability to provide funding hereunder shall not exceed (x) 50.01 percent of the total funding required by the Subsidiary Licensee pursuant to this Support Agreement and the EDFI Agreement, or (y) $205.029 million cumulatively over the life of this Support Agreement, unless, and to the extent that, advances of funds under this Support Agreement have been reimbursed in whole or part through repayments by the Subsidiary Licensee to Exelon. As such, the aggregate amount outstanding under this Support Agreement at any one time shall not exceed $205.029 million, and this shall be the maximum unreimbursed amount Exelon is obligated to provide under this Support Agreement.

2. *Request for an Advance.* If the funding mechanisms as described under the Operating Agreement, at any time, are not sufficient to allow a Subsidiary Licensee to meet its needs, the Subsidiary Licensee may submit to Exelon a request for an advance of funds under this Support Agreement. Each request for an advance of funds under this Support Agreement shall be made not later than noon Eastern Time (USA) on the tenth business day prior to the proposed drawdown by notice from the Subsidiary Licensee to Exelon (pursuant to procedures that may be changed from time to time by mutual agreement) specifying the amount of the advance and a certification that such advance is for the purpose specified in Section 6.

3. *Substitution.* Exelon can terminate funding provided under this Support Agreement upon 45 days' written notice to the Subsidiary Licensee if Exelon has procured a substitute loan facility and/or letter of credit for the Subsidiary Licensee that is mutually agreed to by Exelon and EDFI and meets the financial assurance requirements of the NRC to protect the public health and safety.

4. *Interest*. Interest on any principal amount outstanding shall accrue daily at such rate, and shall be payable at such times, as mutually established by Exelon and EDFI at the time of an advance under this Support Agreement. The interest rate applicable to any advance and the time of payment shall be noted in a note or other writing. Such notation shall be conclusive absent manifest error.

5. *Optional Prepayments*. The Subsidiary Licensee, at its option, may repay all or any part of the principal amount outstanding from time to time without penalty or premium, upon notice to Exelon made not later than noon Eastern Time (USA) on at least the second business day prior to such prepayment (which notice, if oral, shall be confirmed promptly in writing); provided, however, that if the interest rate is LIBOR based, a prepayment penalty may be assessed against the Subsidiary Licensee. Any prepayment penalty would be mutually established by Exelon and EDFI at the time of an advance. Exelon, at its option, may waive such notice requirements as to any prepayment.

6. *Use of Proceeds*. In order to provide financial assurance, any advance may be used by a Subsidiary Licensee only to meet its approved Operating Expenses and NRC Requirements, including payments for nuclear property damage insurance and a retrospective premium pursuant to Title 10, Part 140, Section 21 of the Code of Federal Regulations (10 CFR 140.21).

7. *No Guarantee*. This Support Agreement is not, and nothing herein contained, and no action taken pursuant hereto by Exelon shall be construed as, or deemed to constitute, a direct or indirect guarantee by Exelon to any person of the payment of the Operating Expenses or of any liability or obligation of any kind or character whatsoever of the Subsidiary Licensees. This Agreement may, however, be relied upon by the NRC in determining the financial qualifications of each Subsidiary Licensee to hold the operating license for a Facility.

8. *Waivers*. Exelon hereby waives any failure or delay on the part of the Subsidiary Licensees in asserting or enforcing any of their rights or in making any claims or demands hereunder.

9. *Amendments and Termination*. This Agreement may not be amended or modified at any time without 30 calendar days prior written notice to the NRC. This Agreement shall terminate at such time as Exelon is no longer the direct or indirect owner of any of the shares or other ownership interests in a Subsidiary Licensee. This Agreement shall also terminate with respect to the Operating Expenses and NRC Requirements applicable to a Facility whenever such Facility permanently ceases commercial operations and certification is made as to the permanent removal of fuel from the reactor vessel;

provided, however, that this Agreement may be extended for successive periods of two years each upon the mutual agreement of the parties.

10. *Successors.* This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

11. *Third Parties.* Except as expressly provided in Sections 3 and 6 with respect to the NRC, this Agreement is not intended for the benefit of any person other than the parties hereto, and shall not confer or be deemed to confer upon any other such person any benefits, rights, or remedies hereunder.

12. *Other Financial Support Arrangements.* This Agreement supersedes any other support arrangement relating to NRC requirements, if any exists prior to the date hereof, between Exelon and a Subsidiary Licensee to provide funding when necessary to pay Operating Expenses and meet NRC Requirements for the Facilities, and any such other financial support arrangement is hereby voided, revoked and rescinded. Accordingly, the total available funding provided for in this Support Agreement shall be limited as set forth in Section 1 herein and shall not be cumulative with any other financial support arrangement for purposes of meeting NRC Requirements. For avoidance of doubt, the parties agree that this section does not apply to financial guarantees or commitments made to third parties, even where such agreements may relate to compliance with NRC requirements.

13. *Governing Law.* This Agreement shall be governed by the laws of the State of Maryland.

14. *Dispute Resolution.* In the event of any dispute arising out of or in connection with this Support Agreement, executives of Exelon and the Subsidiary Licensee will exercise good faith efforts to resolve the dispute in a timely manner. In the event that the executives of Exelon and the Subsidiary Licensee are unable to reach a resolution, the dispute, including any dispute regarding the existence, termination or validity of this Support Agreement, each Party shall have the right to have recourse to and shall be bound by the pre-arbitral referee procedure of the applicable rules of the American Arbitration Association. All disputes arising out of or in connection with this Support Agreement (including as to existence, termination and validity) shall be finally settled under the applicable rules of the American Arbitration Association (the "Rules") by three arbitrators appointed in accordance with said Rules. The place of the pre-arbitral referee procedure and of the arbitration procedure shall be Baltimore, Maryland, United States of America. The proceedings before the arbitral tribunal (including with respect to the Pre-Arbitral Referee Procedure) shall be governed by the Rules. The rules of law to be applied by the arbitral tribunal to the merits of the dispute shall be the rules of law of the

State of Maryland. The language of the arbitration shall be English. Evidence shall be provided in English and pleadings shall be done in English. The arbitral tribunal shall render its decision within six months from the date of signature of the terms of reference. Any decision or award of the arbitral tribunal shall be final and binding upon the parties to the arbitration proceeding. The parties waive to the extent permitted by applicable law any rights to appeal or to review of such award by any court or tribunal. The parties agree that the arbitral award may be enforced against the parties to the arbitration proceeding or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

ACKNOWLEDGED AND AGREED

Exelon Generation Company, LLC
By: [signature]
Name: Christopher M. Crane
Title: President

Nine Mile Point Nuclear Station, LLC
By: [signature]
Name: Steven L. Miller
Title: Secretary

Calvert Cliffs Nuclear Power Plant, LLC
By: [signature]
Name: Steven L. Miller
Title: Secretary

R. E. Ginna Nuclear Power Plant LLC
By: [signature]
Name: Steven L. Miller
Title: Secretary

SUPPORT AGREEMENT

Between

E.D.F. International S.A.

and

Calvert Cliffs Nuclear Power Plant, LLC
Nine Mile Point Nuclear Station, LLC, and
R. E. Ginna Nuclear Power Plant, LLC

THIS SUPPORT AGREEMENT, dated as of November 6, 2009 between E.D.F. International S.A. ("EDFI"), and Calvert Cliffs Nuclear Power Plant, LLC, Nine Mile Point Nuclear Station, LLC and R. E. Ginna Nuclear Power Plant, LLC, each individually herein referred to as a "Subsidiary Licensee" and all collectively herein referred to as "Subsidiary Licensees."

WITNESSETH:

WHEREAS, through its intermediate subsidiary companies, EDFI is the indirect owner of 49.99% of the Subsidiary Licensees;

WHEREAS, Constellation Energy Group, Inc. ("CEG"), through its intermediate subsidiary companies, is the indirect owner of 50.01% of the Subsidiary Licensees;

WHEREAS, the Subsidiary Licensees are the corporate entities that hold the NRC licenses for Calvert Cliffs Nuclear Power Plant, Unit Nos. 1 & 2, Operating Licenses DPR-53 & DPR-69, Nine Mile Point Nuclear Station, Unit Nos. 1 & 2, Operating Licenses DPR-63 & NPF-69, and R. E. Ginna Nuclear Power Plant, Operating License DPR-18 (individually, each a "Facility," and collectively the "Facilities");

WHEREAS, EDFI and the Subsidiary Licensees desire to take certain actions to assure the ability of the Subsidiary Licensees to pay their respective approved expenses of maintaining the Facilities safely and reliably and of protecting the public health and safety (the "Operating Expenses") and to meet Nuclear Regulatory Commission ("NRC") requirements during the life of each Facility (the "NRC Requirements");

WHEREAS, CEG is entering into a separate agreement with the Subsidiary Licensees that has substantially the same terms and purposes as this Support Agreement (hereinafter, the "CEG Agreement");

WHEREAS, EDFI and CEG, as provided in the Second Amended and Restated Operating Agreement by and among CEG, Constellation Nuclear, LLC, CE Nuclear, LLC, EDFI, EDF Development Inc. ("EDF Development"), and Constellation Energy Nuclear Group, LLC ("CENG"), dated as of November 6, 2009 ("Operating Agreement"), plan to provide the Subsidiary Licensees with adequate resources for approved working capital and other needs on an ongoing basis through various mechanisms such as capital contributions, member loans or advances, or other mutually approved funding mechanisms as discussed in the Operating Agreement; however, if these funding sources, at any time, cannot meet those needs, then CEG and EDFI have agreed to provide credit to the Subsidiary Licensees, in the manner as described below, to allow the Subsidiary Licensees to meet their obligations to protect public health and safety.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereto agree as follows:

1. *Availability of Funding.* Upon the written request of a Subsidiary Licensee, EDFI shall provide or cause to be provided to such Subsidiary Licensee such funds as the Subsidiary Licensee determines to be necessary to pay Operating Expenses or meet NRC Requirements at the same time or times as the same amount is paid by CEG under the CEG Agreement; provided, however, that EDFI's maximum liability to provide funding hereunder shall not exceed the lesser of (x) 49.99 percent of the total funding required by the Subsidiary Licensee pursuant to this Support Agreement and the CEG Agreement, or (y) $144.971 million cumulatively over the life of this Support Agreement, unless, and to the extent that, advances of funds under this Support Agreement have been reimbursed in whole or part through repayments by the Subsidiary Licensee to EDFI. As such, the aggregate amount outstanding under this Support Agreement at any one time shall not exceed $144.971 million, and this shall be the maximum unreimbursed amount EDFI is obligated to provide under this Support Agreement.

2. *Request for an Advance.* If the funding mechanisms as described under the Operating Agreement, at any time, are not sufficient to allow a Subsidiary Licensee to meet its needs, the Subsidiary Licensee may submit to EDFI a request for an advance of funds under this Support Agreement. Each request for an advance of funds under this Support Agreement shall be made not later than noon Eastern Time (USA) on the tenth business day prior to the proposed drawdown by notice from the Subsidiary Licensee to EDFI (pursuant to procedures that may be changed from time to time by mutual agreement) specifying the amount of the

advance and a certification that such advance is for the purpose specified in Section 6.[1]

3. *Substitution.* EDFI can terminate funding provided under this Support Agreement upon 45 days' written notice to the Subsidiary Licensee if EDFI has procured a substitute loan facility and/or letter of credit for the Subsidiary Licensee that is mutually agreed to by EDFI and CEG and meets the financial assurance requirements of the NRC to protect the public health and safety.

4. *Interest.* Interest on any principal amount outstanding shall accrue daily at such rate, and shall be payable at such times, as mutually established by EDFI and CEG at the time of an advance under this Support Agreement. The interest rate applicable to any advance and the time of payment shall be noted in a note or other writing. Such notation shall be conclusive absent manifest error.

5. *Optional Prepayments.* The Subsidiary Licensee, at its option, may repay all or any part of the principal amount outstanding from time to time without penalty or premium, upon notice to EDFI made not later than noon Eastern Time (USA) on at least the second business day prior to such prepayment (which notice, if oral, shall be confirmed promptly in writing); provided, however, that if the interest rate is LIBOR based, a prepayment penalty may be assessed against the Subsidiary Licensee. Any prepayment penalty would be mutually established by EDFI and CEG at the time of an advance. EDFI, at its option, may waive such notice requirements as to any prepayment.

6. *Use of Proceeds.* In order to provide financial assurance, any advance may be used by a Subsidiary Licensee only to meet its approved Operating Expenses and NRC Requirements, including payments for nuclear property damage insurance and a retrospective premium pursuant to Title 10, Part 140, Section 21 of the Code of Federal Regulations (10 CFR 140.21).

7. *No Guarantee.* This Support Agreement is not, and nothing herein contained, and no action taken pursuant hereto by EDFI shall be construed as, or deemed to constitute, a direct or indirect guarantee by EDFI to any person of the payment of the Operating Expenses or of any liability or obligation of any kind or character whatsoever of the Subsidiary Licensees. This Agreement may, however, be relied

[1] The NRC's Director of the Office of Nuclear Reactor Regulation must be notified in writing no later than 10 days after any funds are provided, in accordance with Conditions A.(1)(a) and A (3)(a) in the October 30, 2009 Orders

upon by the NRC in determining the financial qualifications of each Subsidiary Licensee to hold the operating license for a Facility.

8. *Waivers*. EDFI hereby waives any failure or delay on the part of the Subsidiary Licensees in asserting or enforcing any of their rights or in making any claims or demands hereunder.

9. *Amendments and Termination*. This Agreement may not be amended or modified at any time without 30 calendar days prior written notice to the NRC. This Agreement shall terminate at such time as EDFI is no longer the direct or indirect owner of any of the shares or other ownership interests in a Subsidiary Licensee. This Agreement shall also terminate with respect to the Operating Expenses and NRC Requirements applicable to a Facility whenever such Facility permanently ceases commercial operations and certification is made as to the permanent removal of fuel from the reactor vessel; provided, however, that this Agreement may be extended for successive periods of two years each upon the mutual agreement of the parties.

10. *Successors*. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

11. *Third Parties*. Except as expressly provided in Sections 3 and 6 with respect to the NRC, this Agreement is not intended for the benefit of any person other than the parties hereto, and shall not confer or be deemed to confer upon any other such person any benefits, rights, or remedies hereunder.

12. *Other Financial Support Arrangements*. This Agreement supersedes any other support arrangement relating to NRC requirements, if any exists prior to the date hereof, between EDFI and a Subsidiary Licensee to provide funding when necessary to pay Operating Expenses and meet NRC Requirements for the Facilities, and any such other financial support arrangement is hereby voided, revoked and rescinded. Accordingly, the total available funding provided for in this Support Agreement shall be limited as set forth in Section 1 herein and shall not be cumulative with any other financial support arrangement for purposes of meeting NRC Requirements. For avoidance of doubt, the parties agree that this Section 12 does not apply to financial guarantees or commitments made to third parties, even where such agreements may relate to compliance with NRC requirements.

13. *Governing Law.* This Agreement shall be governed by the laws of the State of New York.

14. *Dispute Resolution.* In the event of any dispute arising out of or in connection with this Support Agreement, executives of EDFI and the Subsidiary Licensee will exercise good faith efforts to resolve the dispute in a timely manner. In the event that the executives of EDFI and the Subsidiary Licensee are unable to reach a resolution, the dispute, including any dispute regarding the existence, termination or validity of this Support Agreement, each Party shall have the right to have recourse to and shall be bound by the pre-arbitral referee procedure of the International Chamber of Commerce in accordance with its Rules for a Pre-Arbitral Referee Procedure. All disputes arising out of or in connection with this Support Agreement (including as to existence, termination and validity) shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (the "Rules") by three arbitrators appointed in accordance with said Rules. The place of the pre-arbitral referee procedure and of the arbitration procedure shall be New York, New York, United States of America. The proceedings before the arbitral tribunal (including with respect to the Pre-Arbitral Referee Procedure) shall be governed by the Rules. The rules of law to be applied by the arbitral tribunal to the merits of the dispute shall be the rules of law of the State of New York. The language of the arbitration shall be English. Evidence shall be provided in English and pleadings shall be done in English. The arbitral tribunal shall render its decision within six months from the date of signature of the terms of reference. Any decision or award of the arbitral tribunal shall be final and binding upon the parties to the arbitration proceeding. The parties waive to the extent permitted by applicable law any rights to appeal or to review of such award by any court or tribunal. The parties agree that the arbitral award may be enforced against the parties to the arbitration proceeding or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

ACKNOWLEDGED AND AGREED

E.D.F. International S.A.
By: ____________________
Name: Daniel Camus
Title: Chairman

Calvert Cliffs Nuclear Power Plant, LLC
By: ____________________
Name: ____________________
Title: ____________________

Nine Mile Point Nuclear Station, LLC
By: ____________________
Name: ____________________
Title: ____________________

R. E. Ginna Nuclear Power Plant, LLC
By: ____________________
Name: ____________________
Title: ____________________

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

ACKNOWLEDGED AND AGREED

E.D.F. International S.A.

By: ____________________
Name: ____________________
Title: ____________________

Calvert Cliffs Nuclear Power Plant, LLC

By: ____________________
Name: Steven L. Miller
Title: Secretary

Nine Mile Point Nuclear Station, LLC

By: ____________________
Name: Steven L. Miller
Title: Secretary

R. E. Ginna Nuclear Power Plant, LLC

By: ____________________
Name: Steven L. Miller
Title: Secretary

ATTACHMENT (4)

ADDITIONAL FINANCIAL INFORMATION

(NON-PROPRIETARY VERSION)

ATTACHMENT 4
Additional Financial Information (Non Proprietary Version)

Calvert Cliffs, Nine Mile Point & Ginna
Response to NRC Request For Additional Information

	2014	2015	2016	2017	2018
Calvert Cliffs					
Revenues ($M)					
PPA					
Market Sales					
Total Revenues					
Average Price Per MWh					
PPA					
Market Sales					
Purchased Fuel and Energy and Cost of Sales ($M)					
Purchased Fuel and Energy and Cost of Sales Per MWh					
Total Plant MWh Capacity (MWh)					
Projected Capacity Factor					
Nine Mile Point					
Revenues ($M)					
PPA					
Market Sales					
Total Revenues					
Average Price Per MWh					
PPA					
Market Sales					
Purchased Fuel and Energy and Cost of Sales ($M)					
Purchased Fuel and Energy and Cost of Sales Per MWh					
Total Plant MWh Capacity (MWh)					
Projected Capacity Factor					
Ginna					
Revenues ($M)					
PPA					
Market Sales					
Total Revenues					
Average Price Per MWh					
PPA					
Market Sales					
Purchased Fuel and Energy and Cost of Sales ($M)					
Purchased Fuel and Energy and Cost of Sales Per MWh					
Total Plant MWh Capacity (MWh)					
Projected Capacity Factor					

Notes

1 The reported amounts in Attachment 4a are based on Exelon Generation's 5-year forward looking strategic plan for the period 2014 – 2017. The reported amounts for "Revenues," specfically "Market Sales" (in the "Revenues" section) are conservative in comparison to the corresponding forward market energy prices as of the date of the license transfer application submittal (the reported amounts reflect energy prices that were lower than the prevailing forward market energy price).

2 Projections for the 2018 reported amounts were developed by applying a standard 3% escalation rate to the 2017 reported amounts, including "Revenues" and "Market Sales." Since the 2014 – 2017 reported amounts for Revenues and Market Sales were conservative, the 2018 projections are also conservative.

3 PPA revenue includes Legacy PPA agreements (Ginna only) and Unit Contingent hedges (with Exelon Generation and EDF Trading).

4 Total Plant MWh Capacity (MWh) and Projected Capacity Factors reported for 2018 were assumed to be consistent with the corresponding amounts reported for 2017.

ATTACHMENT 4
Additional Financial Information (Non Proprietary Version)

ExGen Consolidated
Projected Income Statement
Response to NRC Request For Additional Information

(millions)	2014	2015	2016	2017	2018
Operating revenues					
Operating revenues					
Operating revenues from affiliates					
Total Operating Revenues					
Operating expenses					
Purchased power and fuel					
Operating and maintenance					
Operating and maintenance from affiliates					
Depreciation and amortization					
Taxes other than income					
Total operating expenses					
Equity in loss of unconsolidated affiliates					
Operating (loss) income					
Other income and (deductions)					
Interest expense					
Other, net					
Total other income and (deductions)					
(Loss) income before income taxes					
Income (benefit) taxes					
Net (loss) income					
Net income (loss) attributable to noncontrolling interests					
Net (loss) income on membership interest					

ATTACHMENT 4
Additional Financial Information (Non Proprietary Version)

Notes

1 All financial projections are based on Exelon's 6+6 Long Range Plan update for the period 2014 - 2017 adjusted to reflect the impacts associated with the planned integration of CENG's nuclear plants into Exelon Generation Company's nuclear fleet.

2 Exelon Generation Company will adopt full consolidation of CENG as of the effective date of the integration transaction; the financial projections assumes Exelon Generation Company will begin consolidating CENG beginning March 31, 2014.

3 The CENG integration transaction includes an option provision for EDF to sell its 49.99% interest in CENG to Exelon between 2016-2022 at fair market value; the *pro forma* financial scenario prepared in response to the NRC Request For Additional Information reflects an assumption that the put option is exercised January 1, 2016 (the earliest potential date for exercise of the put option).

4 Projections for 2018 were developed by applying a standard 3% escalation rate to the 2017 revenues and expenses.

5 Financial projections do not reflect intercompany eliminations related to the full consolidation of CENG. In addition, the financial projections do not reflect harmonization of CENG's and Exelon Generation Company's accounting policies.

ATTACHMENT (4A)

ADDITIONAL FINANCIAL INFORMATION

(PROPRIETARY VERSION)

Constellation Energy Nuclear Group, LLC
December 17, 2013

ATTACHMENT (5)

WOOD MACKENZIE PROJECTIONS

(NON-PROPRIETARY VERSION)

Wood Mackenzie

Gas & Power Service

Wood Mackenzie North America Power Service
July 31, 2013

Average Power Prices (All-In Energy + Capacity, Nominal $/MWh)

	2013	2014	2015	2016	2017	2018
PJM Western Hub						
NYISO Zone A						

ATTACHMENT (5A)

WOOD MACKENZIE PROJECTIONS

(PROPRIETARY VERSION)

ATTACHMENT (6)

10 CFR 2.390 AFFIDAVIT OF JAMES A. SPINA

AFFIDAVIT

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
Constellation Energy Nuclear Group, LLC, et al.)

AFFIDAVIT

I, James A. Spina, VP-Corporate Site Operations of Constellation Energy Nuclear Group, LLC (CENG) do hereby affirm and state:

1. I am authorized to execute this affidavit on behalf of the Licensees.

2. CENG is providing information on behalf of itself and the other Aplicants in support of their application for an Order approving license transfers. The documents being provided in Attachments 4A and 5A contain proprietary financial information and financial projections related to the ownership and operation of the Licensees' generation assets and proprietary financial projections generated by Wood Mackenzie. These documents constitute proprietary commercial and financial information that should be held in confidence by the NRC pursuant to the policy reflected in 10 CFR §§ 2.390(a)(4) and 9.17(a)(4), because:

i. This information is and has been held in confidence by the Applicants.

ii. This information is of a type that is customarily held in confidence by the Applicants, and there is a rational basis for doing so because the information contains sensitive financial information concerning projected revenues and operating expenses of the Licensees and proprietary projections of market prices generated by Wood Mackenzie.

iii. This information is being transmitted to the NRC voluntarily and in confidence.

iv. This information is not available in public sources and could not be gathered readily from other publicly available information.

v. Public disclosure of this information would create substantial harm to the competitive position of the Applicants by disclosing their internal financial projections and to Wood Mackenzie by disclosing proprietary projections for which it charges fees to access.

3. Accordingly, the Applicants request that the designated documents be withheld from public disclosure pursuant to the policy reflected in 10 CFR §§ 2.390(a)(4) and 9.17(a)(4).

James A. Spina

Subscribed and sworn before me, a Notary Public, in and for the State of Maryland and City of Baltimore, this 17 day of December, 2013.

WITNESS my hand and Notarial Seal:

Karen Lynn Houston
Notary Public

My Commission Expires: ~~12/17/13~~ KLH My Commission Expires May 03, 2014
Date