

NRG ENERGY, INC.
Form 425
December 15, 2008

Filed by Exelon Corporation

Reg. No. 333-155278

Pursuant to Rule 425 under the

Securities Act of 1933, as amended

Subject Company: NRG Energy, Inc.

On December 15, 2008, Exelon began using the following presentation in discussions with investors:

Exelon + NRG: A Compelling
Opportunity for Value Creation
Investor Meetings
December 2008

Forward-Looking Statements

This presentation includes forward-looking statements. These forward-looking statements include, for example, statements regarding benefits of the proposed merger, integration plans and expected synergies. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made herein. The factors that could cause actual results to differ materially from these forward-looking statements include Exelon's ability to achieve the synergies contemplated by the proposed transaction, Exelon's ability to

promptly and effectively integrate the businesses of NRG and Exelon, and the timing to consummate the proposed transaction and obtain required regulatory approvals as well as those discussed in (1) Exelon's 2007 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 19; (2) Exelon's Third Quarter 2008 Quarterly Report on Form 10-Q in (a) Part II, Other Information, ITEM 1A. Risk Factors and (b) Part I, Financial Information, ITEM 1. Financial Statements: Note 12;

(3) Exelon's preliminary

prospectus/offer to exchange that is contained in the Registration Statement on Form S-4 (Reg. No. 333-155278) that Exelon has filed with the SEC in connection with the offer; and (4) other factors discussed in Exelon's filings with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this filing. Exelon does not undertake any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this filing, except as required by law.

Statements made in connection with the exchange offer are not subject to the safe harbor protections provided to forward-looking statements under the Private Securities Litigation Reform Act of 1995.

All information in this presentation concerning NRG, including its business, operations, and financial results, was obtained from public sources. While Exelon has no knowledge that any such information is inaccurate or incomplete, Exelon has not had the opportunity to verify any of that information.

Important Additional Information

This communication relates, in part, to the offer (the Offer) by Exelon Corporation (Exelon) through its direct wholly-owned subsidiary, Exelon Xchange Corporation (Xchange), to exchange each issued and outstanding share of common stock (the NRG shares) of NRG Energy, Inc. (NRG) for 0.485 of a share of Exelon common stock. This communication is for information only and does not

constitute an offer to exchange, or a solicitation of an offer to exchange, NRG shares, nor is it a substitute for the Tender Offer Statement on Schedule TO or the Prospectus/Offer to Exchange included in the Registration Statement on Form S-4 (Reg. No.

333-155278) (including the Letter of Transmittal and related documents and as amended from time to time, the Exchange Offer Documents) filed by Exelon and Xchange with the Securities and Exchange Commission (the SEC) on November 12, 2008.

The Offer is made only through the Exchange Offer Documents. **Investors and security holders are urged to read these documents** and other relevant materials as they become available, because they will contain important information.

Exelon and Xchange expect to file a proxy statement on Schedule 14A and other relevant documents with the SEC in connection with the solicitation of proxies (the NRG Meeting Proxy Statement) for the 2009 annual meeting of NRG stockholders (the NRG Meeting). Exelon will also file a proxy statement on Schedule 14A and other relevant documents with the SEC in connection with the solicitation of proxies for a meeting of Exelon shareholders (the Exelon Meeting) to be called in order to approve the issuance of shares of Exelon common stock pursuant to the Offer (the Exelon Meeting Proxy Statement). **Investors and security holders are urged to read the NRG Meeting Proxy Statement and the Exelon Meeting Proxy Statement and other relevant materials as they become available, because they will contain important information.**

Investors

and

security

holders

can

obtain

copies

of

the

materials

described

above

(and

all

other

related

documents

filed

with

the

SEC)

at

no

charge

on

the

SEC's

website:

www.sec.gov.

Copies

can

also

be

obtained

at
no
charge
by
directing
a
request
for
such
materials
to
Innisfree
M&A
Incorporated,
501
Madison
Avenue,
20th
Floor,
New
York,
New
York
10022,
toll
free
at
1-877-750-9501.
Investors
and
security
holders
may
also
read
and
copy
any
reports,
statements
and
other
information
filed
by
Exelon,
Xchange
or
NRG
with

the
SEC,
at
the
SEC
public
reference
room
at
100
F
Street,
N.E.,
Washington,
D.C.
20549.
Please
call
the
SEC
at
1-800-SEC-
0330
or
visit
the
SEC's
website
for
further
information
on
its
public
reference
room.
Exelon,
Xchange
and
the
individuals
to
be
nominated
by
Exelon
for
election
to
NRG's

Board
of
Directors
will
be
participants
in
the
solicitation
of
proxies
from
NRG
stockholders
for
the
NRG
meeting
or
any
adjournment
or
postponement
thereof.
Exelon
and
Xchange
will
be
participants
in
the
solicitation
of
proxies
from
Exelon
shareholders
for
the
Exelon
Meeting
or
any
adjournment
or
postponement
thereof.
In
addition,

certain
directors
and
executive
officers
of
Exelon
and
Xchange
may
solicit
proxies
for
the
Exelon
Meeting
and
the
NRG
Meeting.
Information
about
Exelon
and
Exelon's
directors
and
executive
officers
is
available
in
Exelon's
proxy
statement,
dated
March
20,
2008,
filed
with
the
SEC
in
connection
with
Exelon's
2008
annual
meeting

of
shareholders.
Information
about
Exchange
and
Exchange s
directors
and
executive
officers
is
available
in
Schedule
II
to
the
Prospectus/Offer
to
Exchange.
Information
about
any
other
participants
will
be
included
in
the
NRG
Meeting
Proxy
Statement
or
the
Exelon
Meeting
Proxy
Statement,
as
applicable.
3

4
Agenda for Today's Discussion
4

Our Exchange Offer

Compelling Value for NRG Shareholders

Timeline

Why Tender Your Shares

Appendix

Overview of Exelon Corporation

The Exchange Offer

On
November
12
,
Exelon

launched
an
exchange
offer for
all of the outstanding shares of NRG

Filed Form S-4 with the SEC

Fixed exchange ratio of 0.485 Exelon share for each NRG common
share

Represents

a
37%
premium
to
the
October
17
NRG
closing
price

Initial exchange offer period expires January 6, 2009

5
th
th

Financing Is Not an Obstacle

Exelon believes it can secure committed financing for the transaction at the appropriate time

We believe a negotiated combination can be structured in a way to reduce refinancing requirements to \$4B or less

We believe that the contemplated structure would not trigger the change of control provision for NRG's \$4.7B of Senior Notes, and would substantially improve credit metrics for those bondholders

Exelon's relationships with many of NRG's banks should facilitate arrangements for new credit facilities once current conflicts are eliminated

We believe that the NRG direct lien program for power marketing could be left in place

6

Reflecting our confidence that we can obtain secure committed financing at the appropriate time, our offer is not subject to a financing condition

Full and generous price
upfront premium of 37%

Tax-free opportunity to participate in the future growth
of the largest and most diversified US power company,
with a substantially improved credit profile and access

to liquidity

Requisite scope, scale and financial strength

Stronger credit metrics and investment grade balance sheet

Best-in-class nuclear and fossil operations

Low-cost generator, operating in the most attractive markets

Exelon 2020 principles will be adapted to the combined fleet

Potential for substantial synergies

Manageable regulatory hurdles to close
Compelling Value for NRG Shareholders

7

Without
Premium
0
1,000
3,000
2,000
With

Premium

Conservative

DCF Estimate

Replacement

Costs

NRG Stock Value

NRG Long-Term Value

975

1,350

2,050

3,000+

Price per Kilowatt Comparison for Texas Baseload Generation

Less than 45% of
replacement value

Even with premium, purchase

price is 66% of conservative

long-term DCF value

\$/kW values are for 5,325 MW of Texas baseload which includes Parish coal, Limestone and STP; values implied by NRG stock

are

determined

by

subtracting

value

of

other

NRG

assets

from

NRG

enterprise

value

based

on

October

17th

close.

Exelon Unlocks NRG Value

Price

(\$/kilowatt)

8

Combination Expected to Create
Substantial Synergies

Exelon

Operations & Maintenance:

\$4,289

NRG

Maintenance & Other Opex:

\$950

General & Admin Expenses:

\$309

Other COGS:

\$454

Pro Forma

Combined Non-fuel Expenses:

\$6,002

Estimated Annual Cost Savings:

\$180 -

\$300

% of Combined Expenses:

3%-5%

Costs to Achieve

\$100

NPV of Synergies:

\$1,500-\$3,000

9

(\$ in Millions)

Transaction

expected

to

create

\$1.5

\$3

billion

of

value

through

synergies

with

opportunity

for

more

Reflects no revenue or fuel cost synergies. Excludes transaction and other costs of \$654 million and excludes increased interest expense related to refinancing of NRG debt.

1. Company 10-K for 2007 and investor presentations.

2. Based on a preliminary analysis of publicly available information. Subject to due diligence investigation.

1

1

2

NRG Shareholders Capture Value

10

Value Creation

to NRG

Shareholders

(\$ billions)

Creates compelling value for NRG shareholders today and allows them to

share in growth of Exelon stock.

Value to NRG

shareholders

44% of market cap

\$12.8 billion

= \$46.50 per NRG share

> NRG's 52-week high

Market

capitalization as

of 10/17/2008

\$5.3 billion

\$0.4

Value to NRG

Shareholders

\$2.4 billion

\$2.0

\$5.1

Market cap as of

10/17/08

Premium to NRG

Value of synergies

Market cap as of

10/17/08

+ premium

+ synergies

Additional upside to

NRG shareholders

Market

capitalization as

of 10/17/2008

\$5.3 billion

(1)

(2)

\$7.7 billion

(3)

(4)

\$12.8 billion

Excludes

transaction

and

other

costs

of

\$654

million

and

excludes

increased

interest

expense

related
to
refinancing
of
NRG
debt.

1.
Assumes
275M
diluted
shares
outstanding.

2.
Assumes
an
offer
price
of
\$26.43;
37%
premium
to
10/17/08
close
price;
275M
shares
outstanding.

3.
Value
of
synergies
to
NRG
shareholders
based
on
proportionate
ownership
of
combined
entity.
Synergies
estimate
based
on
mid
point
of
\$1.5

billion

-

\$3.0

billion.

4.

Additional

upside

defined

as

the

value

that

is

created

if

both

companies

stocks

simultaneously

reach

their

respective

52-

week

high

prices

(EXC:

\$92.13,

NRG:

\$45.78).

Percent Contribution of Free Cash Flow

11

1. NRG's 12/1/2008 NRG's Path to Shareholder Value presentation, slide 4. Implied ownership based on a 0.485x exchange ratio

2. PECO PPA assumes market prices as of 11/30/2008. Assumes carbon at \$10-20 per tonne. Not necessarily representative of either company's internal forecast or indicative of results for any other year.

NRG states they contribute 30% of the free cash flow while getting 17% ownership of the pro-forma company based on offer

NRG's position is only a 2008 calculation

Ignores PECO PPA roll-off in 2011 and Exelon carbon uplift

Factoring in these two omitted pieces for 2008, NRG's free cash flow contribution of the pro-forma company would be 15-17% for 2008

1

2

Pro Forma

Exelon

12

Combined company expected to have requisite scope, scale and financial strength to succeed in an increasingly volatile energy market

Pro Forma Quick Stats

(\$s in millions)

Combined assets

1

\$68,900

LTM EBITDA

2

\$9,400

Market cap (as of 11/24/2008)

\$39,800

Enterprise value

3

\$60,500

Generating capacity

4

~51,000 MWs

Combination Will Result in Scope, Scale and

Financial Strength

Enterprise

Value

Market Cap

\$0

\$30

\$50

\$60

\$40

\$20

\$70

\$10

Southern

Dominion

Duke

FPL

First

Energy

Energy

1.

Reflects

total

assets

(under

GAAP)

with

no

adjustments.

Based

upon

9/30/08

Form

10-Q.

2.
Reflects
Last
Twelve
Months
EBITDA
(Earnings
before
Income
Taxes,
Depreciation
and
Amortization)
as
of
9/30/08
with
no
adjustments.

3.
Calculation
of
Enterprise
Value
=
Market
Capitalization
(as
of
11/24/08)
+
Total
Debt
(as
of
9/30/08)
+
Preferred
Securities
(as
of
9/30/08)
+
Minority
Interest
(as
of
9/30/08)

Cash

&
Cash
Equivalents
(as
of
9/30/08).
Debt,
Preferred
Securities,
Minority
Interest
and
Cash
&
Cash
Equivalents
based
upon
9/30/08
Form
10-Q.
4.
Includes
owned
and
contracted
capacity
after
giving
effect
to
planned
divestitures
after
regulatory
approvals.

0.0
2.0
4.0
6.0
8.0
10.0
12.0

14.0
EXC
D
PEG
PPL
EIX
NRG
MIR
DYN
RRI

10/17/2007

10/17/2008

13

Credit Ratings Are a Valuation Differentiator

Ba3/B+

na/B

B1/B+

B1/B+

Baa2/BBB-

Baa2/BBB

Baa2/BBB

Baa2/A-

Baa1/BBB+

Credit Rating

1-year

Forward

EV/EBITDA

Investment Grade

Non-Investment Grade

Source:

Bloomberg, FactSet

as of 10/17/2008; Credit ratings as of 10/17/2008

Investment grade

credit ratings

provide access to

capital markets for

growth capital and

minimize collateral

requirements

which maximizes

liquidity and

contributes to

superior

valuations in

difficult markets

Multiples of non-investment grade peers have fallen approximately

40%, whereas multiples of EXC and its investment grade peers have

fallen less than 15%

5.6

9.6

Non-Investment Grade

6.8

7.7

Investment Grade

2008

2007

Average Multiples (x)

6.0%
8.0%
8.80%
12.10%
Exelon Generation
NRG
4.0

6.0

8.0

10.0

12.0

10/18/2007

12/30/2007

3/12/2008

5/24/2008

8/5/2008

10/17/2008

NRG

Exelon

14

Stable, Predictable Cash Flow Is Awarded

Premium Valuation

Exelon's strong,

diversified cash

flow streams have

provided for a

more stable

valuation during

periods of

depressed

commodity

valuations and/or

market turbulence

4.6x

7.5x

Source:

Per

NRG

December

1,

2008

investor

presentations,

Company

filings,

Bloomberg

1.

Yield

to

maturity

of

weighted

average

of

Exelon

Generation

outstanding

publicly
traded
debt

2.
Yield
to
maturity
of
weighted
average
of
NRG
outstanding
publicly
traded
debt

3.
Credit
ratings
as
of
10/17/08

Average EV / LTM EBITDA for last:

Current
1 month
6 months
1 year
NRG

4.6
5.8
8.2
8.3
Exelon
7.5
7.8
9.7
9.8

1
2
BBB+
B+
7/1/08
10/17/08
7/1/08
10/17/08

We expect the
market will likely
continue to
discount NRG's
standalone growth

prospects.

Credit

Rating

Exelon Debt (YTM)

NRG Debt (YTM)

Enterprise Value / LTM EBITDA

Cost of Debt

Source:

FactSet

as

of

10/17/2008

3

Strong Balance Sheet and Credit Metrics

NRG shareholders and bondholders expected to benefit from an investment grade balance sheet

Targeting strong credit metrics for the combined entity

25 -

30%
FFO/debt

Pay down debt plan expected to include: NRG balance sheet cash,
asset sale proceeds, free cash flow

1.
Ratios exclude securitized debt.
2.
Senior unsecured credit rating and FFO/Debt as of 10/31/08. Reflects S&P updated guidelines, which include imputed debt and interest related to purchase power agreements, unfunded pension and other postretirement benefits obligations, capital adequacy for energy trading, operating lease obligations and other off-balance sheet data.
- 3.

From
Standard
&
Poor's
8/28/08
CreditStats:
Independent
Power
Producers
&
Energy
Traders

U.S.
15
Exelon
NRG
Today
2011
Credit Rating:
BBB
FFO / Debt:
25-30%
Combined
Entity Targets
Credit Rating:
BBB-
FFO / Debt:
26%
Credit Rating:
B+
FFO / Debt:
18%
2
3
1

World Class Nuclear & Fossil Operations

16

NRG:

High performing nuclear plant

Top quartile capacity factor: 94.9%

Large, well-maintained, relatively young units
Fossil fleet

Half of >500 MW coal units are top quartile
capacity factor

90% of coal fleet lower-cost PRB and lignite
Combined Company:

Largest U.S. power company in terms of generating
capacity: ~51,000 MW fleet (18,000 MW nuclear)

Best-in-class nuclear and fossil operations

Second lowest carbon emitting intensity in the industry

Geographic and fuel diversification with an improved
dispatch profile

Exelon:

Premier U.S. nuclear fleet

Best fleet capacity factor: ~ 94%

Lowest fleet production costs: ~ \$15 / MWh

Shortest fleet average refueling outage duration:
24 days

Strong reputation for performance and safety

17

Operating in Most Attractive Markets

Geographically complementary generation asset base

Predominantly located in competitive markets

Strong presence in PJM (Mid-Atlantic and Midwest) and ERCOT

6,280

Contracted*

51,403

2,085

CAL ISO

13,027

ERCOT

By RTO

Combined

PJM

22,812

MISO

1,065

ISO NE

2,174

NYISO

3,960

SERC

2,405

WECC

45

Total

53,853

By Fuel Type

Combined

Nuclear

18,144

Coal

8,986

Gas/Oil

18,801

Other

1,642

Contracted

6,280

*Contracted in various RTOs, mainly in PJM and ERCOT

1. Excludes international assets. Before any divestitures.

1

1

Exelon

NRG

<1%

<1%

Exelon

~150,000 GWh

Pro Forma

Exelon

~198,000 GWh

Nuclear

PRB & Lignite Coal

Other Coal

Gas/Oil

Hydro/Other

2009 Historical Forward Coal Prices

Combined Entity Will Continue to Benefit

from Low Cost, Low Volatility Fuel Sources

Powder River Basin and lignite coal supply (90% of NRG's coal) provides low-sulfur at a relatively stable price as compared to northern and central Appalachian coal mines.

0.00

1.00

2.00

3.00

4.00

5.00

6.00

Powder River Basin

Northern Appalachian

Central Appalachian

Production Costs

0

2

4

6

8

10

12

2000

2001

2002

2003

2004

2005

2006

2007

Nuclear

Gas

Coal

Petroleum

Combined fleet will continue to be predominantly low-cost fuel.

1%

3%

6%

Other

Coal

1. Based on 2007 data, does not include ~38,000

GWh of Exelon Purchased Power.

Q1 2007

Q2 2007

Q3 2007

Q4 2007

Q1 2008

Q2 2008

Q3 2008

cents/Kwh

\$/mmbtu

18

1

1

0
50
100
150
50
100
150

200
250
2006 Electricity Generated (GWh, in thousands)
NRG
TVA
AEP
Duke
FPL
Southern
Exelon + NRG
Entergy
Exelon
Dominion
Progress
FirstEnergy
Bubble size represents carbon
intensity, expressed in terms of metric
tons of CO2 per MWh generated
SOURCE: EIA and EPA data as compiled by NRDC
Exelon 2020 principles will be adapted to the combined fleet
CO2 Emissions of Largest US Electricity Generators
2006 CO2 Emissions
from Electricity
Generation
(in million metric tons)
Largest Fleet, 2
Lowest Carbon Intensity
Top Generators by CO2 Intensity
10
9
8
7
6
5
4
3
2
1
AEP
NRG
Southern
Duke
FirstEnergy
TVA
Progress
Dominion
FPL
Exelon + NRG
Entergy
Exelon

0.83
0.80
0.74
0.66
0.64
0.64
0.57
0.50
0.35
0.31
0.26
0.07
19
nd

Exelon 2020 and NRG
Offer more low carbon
electricity in the
marketplace
Reduce emissions from
coal/oil fired generation
Help our customers

and the communities
we serve reduce their
GHG emissions
Reduce or offset our
footprint by greening
our operations
Adapt Elements of
Exelon 2020 to NRG
Expand the 2020 Plan

Expand internal energy efficiency, SF6,
vehicle, and supply chain initiatives to NRG
portfolio

Offset a portion of NRG's GHG emissions

Expand energy efficiency program offerings

Add capacity to existing nuclear units
through uprates

Add new renewable generation

Add new gas-fired capacity

Continue to explore new nuclear

Address older/higher emitting coal
and oil units

Invest in clean coal technology R&D
20

Taking the next step in Exelon's
commitment to address climate change
Options to Evaluate:

Exelon Offers Lower Risk Growth Opportunities

21

I/B/E/S

09- 11

EBITDA

I/B/E/S

09- 11

EPS

Growth Drivers

Cost to Achieve

Growth

Nuclear uprates

Utility rate base growth

PA POLR roll-off

PJM capacity markets

Carbon upside

Regular-way business
operations expense

STP nuclear expansion

Other low carbon capital
expenditure programs

Heavy capital expenditure
investments

Dependence on new build
construction including
new nuclear

10.0%

16.8%

(0.1%)

1.7%

We believe

Exelon's near-
term growth

drivers are more

predictable and

have dramatically

less capital at risk

than NRG's

1.

Based

solely

on

I/B/E/S

estimates

for

Exelon

and

NRG
as
of
10/31/08.
Not
necessarily
representative
of
either
company's
internal
forecasts.
Provided
for
illustration
only.
Not
intended
as
earnings
guidance
or
as
a
forecast
of
expected
results.
1
1

Clear Value under Multiple Scenarios
Value
Gas Prices
New Build Costs
Carbon Year/Price
Recession
\$0

\$6.50
\$1,300
Moderate
2014/\$22
\$7.30
\$1,100
Moderate
2020/\$22
\$7.10
\$1,100
Severe
2014/\$22
\$7.30
\$1,500
Moderate
2012/\$12
\$8.60
\$1,500
Moderate
22

We look at fundamental value creation under a wide range of future commodity price scenarios and our analysis suggests \$1-3 billion of value, possibly more.

Gas price is long-term price in 2008 \$/MMBtu; coal price is long-term price in 2008 \$/ton for PRB8800 excluding transportation; new build cost is long-term combined cycle cost in PJM in 2008 overnight \$/kW; carbon year is year in which national cap and trade starts; carbon price is in 2012 \$/tonne assuming 7% escalation; moderate recession assumes conditions consistent with current forward prices; and severe recession assumes five years of no load growth.

Coal Prices

\$11.00
\$20.00
\$20.00
\$20.00
\$11.00

Principal Regulatory Approvals and Expected
Divestitures

Principal regulatory approvals:

Texas, New York, Pennsylvania, California state regulatory
commissions and various state siting commissions

Hart-Scott-Rodino (DOJ/FTC)

FERC

NRC

Notice filing in Illinois

Limited market power issues
not expected to challenge
transaction closing

Divestitures anticipated only in PJM and ERCOT

~3,200 MWs of high heat rate gas and baseload coal plants
and
~1,200 MWs under contract

Model assumes \$1 billion of proceeds from divestitures (after-tax)

1.
Plants
subject
to
divestiture
are
de
minimus
contributors
to
revenue
and
earnings.

Regulatory hurdles are manageable

23

1

24
Transaction Timeline
24
* Notice filing only

Q4 2008
Q1 2009
Q2 2009
Q3 2009
Q4 2009
1/6: Initial
Exchange Offer
Expires
Proxy Solicitation
Make Filings and Work to Secure Regulatory Approvals
(FERC, NRC, DOJ/FTC, PUCT, NYPS, PAPUC, CPUC, ICC*)
Receive Regulatory
Approvals
Expected
Transaction Close
11/12:
Exchange Offer
Filed
10/19:
Announce Offer
NRG and Exelon
Shareholder
Meetings

25
Exelon More Than Meets the Five
Imperatives
Outlined by NRG on May 28, 2008

- 1.
- 2.
- 3.

4.

5.

NRG's Stated Imperatives

MUST

accumulate generation at competitive cost

This transaction accomplishes in one step what several transactions might have accomplished for NRG in these regards. Given the current difficulty in accessing capital markets, it is unclear whether NRG would have the ability to meet this objective without Exelon. Exelon provides NRG stakeholders with broad trading expertise and sound power marketing and risk management practices. Exelon's significant experience in markets with locational prices is particularly relevant since ERCOT is moving to a PJM-type structure. Exelon's breadth of operations and depth of service allows significant access to customers, retail providers, and other sales channels.

NRG stakeholders become part of the most diversified and competitive generation portfolio operating in 12 different states and 6 different regional transmission organizations.

Deal expected to provide NRG stakeholders with significant value and upside and a share of the largest unregulated generation fleet in the United States.

MUST

be geographically diversified in multiple markets

MUST

develop and expand our route to market through contracting with retail load providers, trading, direct sales, etc

MUST

have sophisticated ability to trade, procure, hedge, and originate for electricity and input fuels

MUST

develop depth and breadth in key markets, particularly across fuel types, transmission constraints and merit order

Exelon Combination More

than Meets These Imperatives

26
Why Tender Your NRG Shares?
26

Tendering
your
NRG

shares
prior
to
the
January
6

expiration will provide a strong signal of your support
for a negotiated deal

Exelon believes its proposal represents the best
immediate and long-term value for your investment,
providing:

Increased scale and generation efficiency

Enhanced ability to pursue capital-intensive projects

Stronger credit metrics with an investment grade balance sheet
gives access to greater liquidity

Greater stock trading liquidity and appreciation potential

Ability and intention to pay quarterly dividends on common
stock
th

07 Earnings:
\$2,331M
07 EPS:
\$3.45
Total Debt
(1)
:

\$2.5B

Credit Rating

(2)

:

BBB

Nuclear, Fossil, Hydro & Renewable Generation

Power Marketing

07 Operating Earnings:

\$2.9B

07 EPS:

\$4.32

Assets

(1)

:

\$45.2B

Total Debt

(1)

:

\$13.0B

Credit Rating

(2)

:

BBB-

Note:

All

07

income

numbers

represent

adjusted

(Non-GAAP)

Operating

Earnings

and

EPS.

Refer

to

attached

slides

for

reconciliation

of

adjusted

(non-

GAAP)

operating

EPS

to

GAAP

EPS.

1.

As
of
9/30/08.
2.
Standard
&
Poor's
senior
unsecured
debt
ratings
for
Exelon
and
Generation
and
senior
secured
debt
ratings
for
ComEd
and
PECO
as
of
11/24/08.
Pennsylvania
Utility
Illinois
Utility
07 Earnings:
\$200M
\$507M
07 EPS:
\$0.30
\$0.75
Total Debt
(1)
:
\$5.1B
\$3.5B
Credit Ratings
(2)
:
BBB+
A-
The Exelon Companies
28
Exelon Corporation

Exelon Generation
ComEd
PECO

\$0
\$1,000
\$2,000
\$3,000
\$4,000
\$5,000
\$6,000

2001
2002
2003
2004
2005
2006
2007
2008E
2009E
\$0.00
\$0.50
\$1.00
\$1.50
\$2.00
\$2.50
Cash flow from operations
Annual cash dividend / share
1.Cash
Flows
from
Operations
primarily
include
net
cash
flows
provided
by
operating
activities,
excluding
counterparty
collateral
activity,
and
including
net
cash
flows
used
in
investing
activities
other
than
capital
expenditures.
Cash
Flows
from

Operations

160

in

2005

reflect

discretionary

aggregate

pension

contributions

of

\$2

billion.

Stable Cash Flows and

Commitment to Value Return

Exelon produces strong and consistent cash flows and continues to honor its commitment to return value to shareholders

Strong and consistent

cash flows from

operations

(1)

Over 12% compound

annual dividend

growth rate since 2001

Sustainable Value

29

Large, low-cost, low-emissions,
exceptionally well-run nuclear fleet

Complementary and flexible fossil and
hydro fleet

Improving power market fundamentals
(commodity prices, heat rates, and capacity
values)

End of below-market contract in
Pennsylvania beginning 2011

Potential carbon restrictions
Value Proposition

Continue to focus on operating excellence,
cost management, and market discipline

Execute on power and fuel hedging programs

Support competitive markets

Pursue nuclear & hydro plant relicensing and
strategic investment in material condition

Maintain industry-leading talent
Protect Value

Pursue
potential
for
nuclear
plant
uprates
and
investigate potential for more

Rigorously evaluate generation development
opportunities, including new nuclear and
combined cycle gas turbine

Capture increased value of low-carbon
generation portfolio

Grow Value

30

Exelon Generation

Exelon Generation is the premier unregulated generation company
positioned to capture market opportunities and manage risk

1
Quartile
2
Quartile
3
Quartile
4

Quartile
2006-2007 Average Production Cost for
Major
Nuclear
Operators
Average
Among major nuclear plant fleet operators, Exelon is consistently
the lowest-cost producer of electricity in the nation
Lowest Cost Nuclear Fleet Operator

1.
Source:
2007
Electric
Utility
Cost
Group
(EUCG)
survey.
Includes
Fuel
Cost
plus
Direct
O&M
divided
by
net
generation.

31
(1)
st
nd
rd
th

65
70
75
80
85
90
95

100

Operator (# of Reactors)

Range

5-Year Average

Note: Exelon data prior to 2000 represent ComEd-only nuclear fleet.

Sources:

Platts,

Nuclear

News,

Nuclear

Energy

Institute

and

Energy

Information

Administration

(Department

of

Energy).

Sustained production excellence

World-Class Nuclear Operator

Average Capacity Factor

Range

of

Fleet

2-Yr

Avg

Capacity

Factor

(2003-2007)

EXC 93.5%

40%

50%

60%

70%

80%

90%

100%

Exelon

Industry

32

(18)

-

-

-

(18)

Nuclear Decommissioning obligation reduction

(11)

-
-
-
(11)
Sale of ExGen's investments in TEG and TEP
72
-
-
-
72
Georgia Power tolling agreement
(130)
-
-
-
(130)
Termination of Stateline PPA
(5)
-
-
-
(5)
Settlement of a tax matter at Generation related to Sithe
\$(115)
(63)
-
-
(87)
-
\$35
Other
\$2,923
(29)
14
280
(87)
101
\$2,736
Exelon
\$507
-
-
-
-
\$507
PECO
\$200
-
14

24

-

(3)

\$165

ComEd

ExGen

(in millions)

-

City of Chicago settlement

256

2007 Illinois electric rate settlement

\$2,331

2007 Adjusted (non-GAAP) Operating Earnings / (Loss)

34

Non-cash deferred tax items

-

Investments in synthetic fuel-producing facilities

104

Mark-to-market adjustments from economic hedging
activities

\$2,029

2007 GAAP Reported Earnings

Note: Amounts may not add due to rounding.

GAAP Earnings Reconciliation

Year Ended December 31, 2007

33

1.
Amounts shown per Exelon share and represent contributions to Exelon's EPS.
(0.01)
-
-
-
(0.01)

Settlement of a tax matter at Generation related to Sithe
(0.04)
(0.08)
-
-
0.04
Non-cash deferred tax items
(0.14)
(0.14)
-
-
-
Investments in synthetic fuel-producing facilities
0.41
-
-
0.03
0.38
2007 Illinois electric rate settlement
(0.19)
-
-
-
(0.19)
Termination of State Line PPA
0.11
-
-
-
0.11
Georgia Power tolling agreement
Exelon
Other
(1)
PECO
(1)
ComEd
(1)
ExGen
(1)
\$4.32
\$(0.18)
\$0.75
\$0.30
\$3.45
2007 Adjusted (non-GAAP) Operating Earnings (Loss) Per Share
(0.01)
-
-
-

(0.01)

Sale of Generation's investments in TEG and TEP

0.02

-

-

0.02

-

City of Chicago settlement

(0.03)

-

-

-

(0.03)

Nuclear decommissioning obligation reduction

0.15

-

-

-

0.15

Mark-to-market adjustments from economic hedging activities

\$4.05

\$0.04

\$0.75

\$0.25

\$3.01

2007 GAAP Earnings Per Share

GAAP EPS Reconciliation

Year Ended December 31, 2007

34