



# City of Chicago



O2018-387

Office of the City Clerk

## Document Tracking Sheet

<b>Meeting Date:</b>	1/17/2018
<b>Sponsor(s):</b>	Misc. Transmittal
<b>Type:</b>	Ordinance
<b>Title:</b>	Zoning Reclassification Map No. 9-I at 2801-2863 W Addison St, 3400-3558 N California Ave, 2800-2964 W Roscoe St, 3421-3425 N Elston Ave and 3419-3425 N Whipple St - App No. 19507
<b>Committee(s) Assignment:</b>	Committee on Zoning, Landmarks and Building Standards

# 19507  
Intro Date  
JAN, 17, 2018

**ORDINANCE**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:**

**SECTION 1:** That Title 17 of the Municipal Code of Chicago, Chicago Zoning Ordinance, be amended by changing all the M1-1 Limited Manufacturing/Business Park District and M2-2 Light Industry District symbols and indications as shown on Map No. 9-I in the area legally described as:

LOTS (ALSO CALLED BLOCKS) 1, 2 AND 5 THROUGH 9, AND THE SOUTH 33 FEET OF LOT 4, ALL TAKEN AS A TRACT, IN BICKERDIKE MANOR SUBDIVISION OF THAT PART OF THE SOUTH WEST 1/4 OF SECTION 24, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS, THE PLAT THEREOF RECORDED AT PLAT BOOK 90 PAGE 11, EXCEPT ANY PART THEREOF TAKEN OR USED FOR ROADS, AND ALSO EXCEPT THE FOLLOWING PARCELS: THAT PART OF BLOCK 5 IN BICKERDIKE MANOR SUBDIVISION, DESCRIBED AS BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF WEST ROSCOE STREET AND THE NORTHERLY LINE OF ELSTON AVENUE, THENCE EAST ALONG THE NORTH LINE OF WEST ROSCOE STREET A DISTANCE OF 35 FEET, THENCE NORTH AT RIGHT ANGLES TO THE LAST DESCRIBED COURSE, A DISTANCE OF 185.90 FEET, THENCE WEST AT RIGHT ANGLES TO THE LAST DESCRIBED COURSE AND PARALLEL WITH THE NORTH LINE OF WEST ROSCOE STREET 143.26 FEET, THENCE SOUTHWESTERLY 61.77 FEET TO A POINT ON THE NORTHERLY LINE OF NORTH ELSTON AVENUE, THENCE SOUTHEASTERLY ALONG THE NORTH LINE OF ELSTON AVENUE 210.07 FEET TO THE POINT OF BEGINNING ALL THAT PART OF BLOCK 5 IN BICKERDIKE MANOR SUBDIVISION OF THAT PART OF THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF WEST ROSCOE STREET AND EAST OF JOSEPH BICKERDIKE'S THIRD SUBDIVISION AND OF ELSTON AVENUE, AS SHOWN BY PLAT RECORDED JULY 5, 1905, IN BOOK 90 OF PLATS, ON PAGE 11, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE EAST LINE OF NORTH WHIPPLE STREET, SAID POINT BEING 250 FEET SOUTH OF THE SOUTH LINE OF WEST CORNELIA AVENUE (AS MEASURED ALONG THE SAID EAST LINE OF NORTH WHIPPLE STREET) SAID EAST LINE OF NORTH WHIPPLE STREET BEING 33 FEET EAST OF PARALLEL WITH THE WEST LINE OF SAID BLOCK 5 AND SAID SOUTH LINE OF WEST CORNELIA AVENUE BEING 33 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID BLOCK 5; THENCE SOUTH 0 DEGREES 45 MINUTES 33 SECONDS EAST, ALONG SAID EAST LINE OF NORTH WHIPPLE STREET, 140.19 FEET; THENCE NORTH 75 DEGREES 47 MINUTES 43 SECONDS EAST, 82.17 FEET TO THE NORTHWESTERLY CORNER OF A 6 INCH WIDE CONCRETE RETAINING WALL; THENCE NORTH 88 DEGREES 00 MINUTES 10 SECONDS EAST, 51.92 FEET TO AN ANGLE POINT IN A 3 FOOT WIDE CONCRETE ABUTMENT; THENCE NORTH 26 DEGREES 10 MINUTES 12 SECONDS EAST, 32.63 FEET TO THE WESTERLY CORNER OF A 3 FOOT WIDE CONCRETE ABUTMENT; THENCE NORTH 54 DEGREES 31 MINUTES 50 SECONDS EAST, 51.47 FEET; THENCE NORTH 50 DEGREES 07 MINUTES 52 SECONDS EAST, 64.65 FEET; THENCE NORTH 0 DEGREES 45 MINUTES 33 SECONDS WEST, PARALLEL WITH THE EAST LINE OF NORTH WHIPPLE STREET, 17.56 FEET; THENCE NORTH 89 DEGREES 59 MINUTES 09 SECONDS WEST, PARALLEL WITH SAID SOUTH LINE OF WEST CORNELIA AVENUE, 239.10 FEET, TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

ALL THAT PART OF BLOCKS 5 AND 6 IN BICKERDIKE MANOR SUBDIVISION OF THAT PART OF THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF WEST ROSCOE STREET AND EAST OF JOSEPH BICKERDIKE'S THIRD SUBDIVISION OF ELSTON AVENUE AS SHOWN BY PLAT RECORDED JULY 5, 1905 IN BOOK 90 OF PLATS ON PAGE 11, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH LINE OF WEST CORNELIA AVENUE; SAID SOUTH LINE BEING 33 FEET SOUTH OF AND PARALLEL TO THE NORTH LINE OF SAID BLOCKS 5 AND 6, SAID POINT BEING 293 FEET EAST OF THE WEST LINE OF BLOCK 5; THENCE EAST ON THE LAST DESCRIBED LINE 82.82 FEET TO A POINT; THENCE SOUTHERLY AND WESTERLY ALONG A CURVED LINE CONVEX TO THE SOUTHEAST HAVING A RADIUS OF 468.77 FEET, SAID CURVED LINE BEING THE EASTERLY AND SOUTHEASTERLY FACE OF AN EXISTING 1 FOOT WIDE CONCRETE WALL 286.77 FEET MORE OR LESS TO ITS INTERSECTION WITH A LINE THAT IS 300.56 FEET SOUTH OF AND PARALLEL TO THE NORTH LINE OF SAID BLOCK 5; THENCE WEST ALONG THE LAST DESCRIBED LINE TO A POINT THAT IS 272.10 FEET EAST OF THE WEST LINE OF SAID BLOCK 5; THENCE NORTH ALONG A LINE PARALLEL WITH THE WEST LINE OF SAID BLOCK 5, 17.56 FEET; THENCE EAST ALONG A LINE PARALLEL WITH THE NORTH LINE OF SAID BLOCK 5, 0.90 FEET; THENCE NORTHEASTERLY ALONG A STRAIGHT LINE 31.79 FEET TO A POINT IN A LINE THAT IS 293 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID BLOCK 5, SAID POINT BEING 258.0 FEET SOUTH OF THE NORTH LINE OF SAID BLOCK 5; THENCE NORTH ALONG A LINE 293.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID BLOCK 5, 225.00 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS.

ALL THAT PART OF BLOCK FIVE (5) IN BICKERDIKE MANOR SUBDIVISION OF THAT PART OF THE SOUTHWEST QUARTER (SW1/4) OF SECTION TWENTY FOUR (24), TOWNSHIP FORTY (40) NORTH, RANGE THIRTEEN (13) EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF WEST ROSCOE STREET AND EAST OF JOSEPH BICKERDIKE'S THIRD SUBDIVISION AND OF ELSTON AVENUE, AS SHOWN BY PLAT RECORDED JULY 5, 1905, IN BOOK 90 OF PLATS, AT PAGE 11, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE SOUTH LINE OF WEST CORNELIA AVENUE, (SAID SOUTH LINE BEING A LINE THIRTY THREE (33) FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID BLOCK FIVE (5)); SAID POINT BEING TWO HUNDRED NINETY THREE (293) FEET EAST OF THE WEST LINE OF SAID BLOCK FIVE (5); THENCE SOUTH ALONG A LINE TWO HUNDRED NINETY THREE (293) FEET EAST OF AND PARALLEL TO THE WEST LINE OF SAID BLOCK FIVE (5) FOR A DISTANCE OF TWO HUNDRED TWENTY FIVE (225) FEET; THENCE SOUTHWESTERLY TO A POINT IN A LINE WHICH IS TWO HUNDRED FIFTY (250) FEET SOUTH OF AND PARALLEL TO SAID SOUTH LINE OF WEST CORNELIA AVENUE, SAID POINT BEING TWO HUNDRED SEVENTY THREE (273) FEET EAST OF THE WEST LINE OF SAID BLOCK FIVE (5); THENCE WEST ALONG A LINE TWO HUNDRED FIFTY (250) FEET SOUTH OF AND PARALLEL TO THE SOUTH LINE OF WEST CORNELIA AVENUE FOR A DISTANCE OF FORTY (40) FEET; THENCE NORTH ALONG A LINE WHICH IS TWO HUNDRED THIRTY THREE (233) FEET OF AND PARALLEL TO THE WEST LINE OF SAID BLOCK FIVE (5) FOR A DISTANCE OF TWO HUNDRED FIFTY (250) FEET TO ITS INTERSECTION WITH THE SOUTH LINE OF WEST CORNELIA AVENUE; THENCE EAST ALONG SAID SOUTH LINE TO THE POINT OF BEGINNING, SITUATED IN COOK COUNTY, ILLINOIS; THAT PART OF BLOCKS 3, 4, 6 AND 7 IN BICKERDIKE MANOR SUBDIVISION OF THAT PART OF THE SOUTHWEST 1/4 OF SECTION 24, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, NORTH OF WEST ROSCOE STREET AND EAST OF JOSEPH BICKERDIKE'S THIRD SUBDIVISION AND OF ELSTON AVENUE AS SHOWN ON THE PLAT RECORDED JULY 5, 1905 IN BOOK 90 OF PLATS, AT PAGE 11, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS, TO-WIT: BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF THE SOUTH 33.00 FEET OF SAID BLOCK 3 WITH THE EAST LINE OF SAID BLOCK 3; THENCE SOUTH 01 DEGREES 05 MINUTES 05 SECONDS WEST, ALONG SAID EAST LINE BLOCK 3 AND THE EAST LINE OF SAID BLOCK 7 FOR 102.02 FEET TO A POINT IN A LINE THAT IS 102.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE SOUTH 33.00 FEET OF SAID BLOCKS 3 AND 4; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG SAID PARALLEL LINE FOR 451.58 FEET; THENCE NORTH 45 DEGREES 29 MINUTES 24 SECONDS WEST FOR 98.43 FEET TO THE SOUTH LINE OF SAID BLOCK 4; THENCE NORTH 01 DEGREES 06 MINUTES 52 SECONDS WEST FOR

15.00 FEET TO THE NORTH LINE OF THE SOUTH 15.00 FEET OF SAID BLOCK 4; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG SAID NORTH LINE OF THE SOUTH 15.00 FEET OF BLOCK 4 FOR 110.00 FEET TO THE EAST LINE OF THE WEST 33.00 FEET OF SAID BLOCK 4; THENCE NORTH 01 DEGREES 06 MINUTES 52 SECONDS WEST ALONG SAID EAST LINE OF THE WEST 33.00 FEET OF BLOCK 4 FOR 18.00 FEET TO THE NORTH LINE OF THE SOUTH 33.00 FEET OF SAID BLOCK 4; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID NORTH LINE OF THE SOUTH 33.00 FEET OF SAID BLOCK 3 AND 4 FOR 629.92 FEET TO THE PLACE OF BEGINNING. ALL SITUATED IN THE COUNTY OF COOK, IN THE STATE OF ILLINOIS,

to the designation of M2-2 Light Industry District and a corresponding use district is hereby established in the area above described.

**SECTION 2:** That Title 17 of the Municipal Code of Chicago, Chicago Zoning Ordinance, be amended by changing all the M2-2 Light Industry District symbols and indications as shown on Map No. 9-I in the area legally described as:

LOTS (ALSO CALLED BLOCKS) 1, 2 AND 5 THROUGH 9, AND THE SOUTH 33 FEET OF LOT 4, ALL TAKEN AS A TRACT, IN BICKERDIKE MANOR SUBDIVISION OF THAT PART OF THE SOUTH WEST 1/4 OF SECTION 24, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS, THE PLAT THEREOF RECORDED AT PLAT BOOK 90 PAGE 11, EXCEPT ANY PART THEREOF TAKEN OR USED FOR ROADS, AND ALSO EXCEPT THE FOLLOWING PARCELS: THAT PART OF BLOCK 5 IN BICKERDIKE MANOR SUBDIVISION, DESCRIBED AS BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF WEST ROSCOE STREET AND THE NORTHERLY LINE OF ELSTON AVENUE, THENCE EAST ALONG THE NORTH LINE OF WEST ROSCOE STREET A DISTANCE OF 35 FEET, THENCE NORTH AT RIGHT ANGLES TO THE LAST DESCRIBED COURSE, A DISTANCE OF 185.90 FEET, THENCE WEST AT RIGHT ANGLES TO THE LAST DESCRIBED COURSE AND PARALLEL WITH THE NORTH LINE OF WEST ROSCOE STREET 143.26 FEET, THENCE SOUTHWESTERLY 61.77 FEET TO A POINT ON THE NORTHERLY LINE OF NORTH ELSTON AVENUE, THENCE SOUTHEASTERLY ALONG THE NORTH LINE OF ELSTON AVENUE 210.07 FEET TO THE POINT OF BEGINNING ALL THAT PART OF BLOCK 5 IN BICKERDIKE MANOR SUBDIVISION OF THAT PART OF THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF WEST ROSCOE STREET AND EAST OF JOSEPH BICKERDIKE'S THIRD SUBDIVISION AND OF ELSTON AVENUE, AS SHOWN BY PLAT RECORDED JULY 5, 1905, IN BOOK 90 OF PLATS, ON PAGE 11, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE EAST LINE OF NORTH WHIPPLE STREET, SAID POINT BEING 250 FEET SOUTH OF THE SOUTH LINE OF WEST CORNELIA AVENUE (AS MEASURED ALONG THE SAID EAST LINE OF NORTH WHIPPLE STREET) SAID EAST LINE OF NORTH WHIPPLE STREET BEING 33 FEET EAST OF PARALLEL WITH THE WEST LINE OF SAID BLOCK 5 AND SAID SOUTH LINE OF WEST CORNELIA AVENUE BEING 33 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID BLOCK 5; THENCE SOUTH 0 DEGREES 45 MINUTES 33 SECONDS EAST, ALONG SAID EAST LINE OF NORTH WHIPPLE STREET, 140.19 FEET; THENCE NORTH 75 DEGREES 47 MINUTES 43 SECONDS EAST, 82.17 FEET TO THE NORTHWESTERLY CORNER OF A 6 INCH WIDE CONCRETE RETAINING WALL; THENCE NORTH 88 DEGREES 00 MINUTES 10 SECONDS EAST, 51.92 FEET TO AN ANGLE POINT IN A 3 FOOT WIDE CONCRETE ABUTMENT; THENCE NORTH 26 DEGREES 10 MINUTES 12 SECONDS EAST, 32.63 FEET TO THE WESTERLY CORNER OF A 3 FOOT WIDE CONCRETE ABUTMENT; THENCE NORTH 54 DEGREES 31 MINUTES 50 SECONDS EAST, 51.47 FEET; THENCE NORTH 50 DEGREES 07 MINUTES 52 SECONDS EAST, 64.65 FEET; THENCE NORTH 0 DEGREES 45 MINUTES 33 SECONDS WEST, PARALLEL WITH THE EAST LINE OF NORTH WHIPPLE STREET, 17.56 FEET; THENCE NORTH 89 DEGREES 59 MINUTES 09 SECONDS WEST, PARALLEL WITH SAID SOUTH LINE OF WEST CORNELIA AVENUE, 239.10 FEET, TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

ALL THAT PART OF BLOCKS 5 AND 6 IN BICKERDIKE MANOR SUBDIVISION OF THAT PART OF THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF WEST ROSCOE STREET AND EAST OF JOSEPH BICKERDIKE'S THIRD SUBDIVISION OF ELSTON AVENUE AS SHOWN BY PLAT RECORDED JULY 5, 1905 IN BOOK 90 OF PLATS ON PAGE 11, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH LINE OF WEST CORNELIA AVENUE; SAID SOUTH LINE BEING 33 FEET SOUTH OF AND PARALLEL TO THE NORTH LINE OF SAID BLOCKS 5 AND 6, SAID POINT BEING 293 FEET EAST OF THE WEST LINE OF BLOCK 5; THENCE EAST ON THE LAST DESCRIBED LINE 82.82 FEET TO A POINT; THENCE SOUTHERLY AND WESTERLY ALONG A CURVED LINE CONVEX TO THE SOUTHEAST HAVING A RADIUS OF 468.77 FEET, SAID CURVED LINE BEING THE EASTERLY AND SOUTHEASTERLY FACE OF AN EXISTING 1 FOOT WIDE CONCRETE WALL 286.77 FEET MORE OR LESS TO ITS INTERSECTION WITH A LINE THAT IS 300.56 FEET SOUTH OF AND PARALLEL TO THE NORTH LINE OF SAID BLOCK 5; THENCE WEST ALONG THE LAST DESCRIBED LINE TO A POINT THAT IS 272.10 FEET EAST OF THE WEST LINE OF SAID BLOCK 5; THENCE NORTH ALONG A LINE PARALLEL WITH THE WEST LINE OF SAID BLOCK 5, 17.56 FEET; THENCE EAST ALONG A LINE PARALLEL WITH THE NORTH LINE OF SAID BLOCK 5, 0.90 FEET; THENCE NORTHEASTERLY ALONG A STRAIGHT LINE 31.79 FEET TO A POINT IN A LINE THAT IS 293 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID BLOCK 5, SAID POINT BEING 258.0 FEET SOUTH OF THE NORTH LINE OF SAID BLOCK 5; THENCE NORTH ALONG A LINE 293.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID BLOCK 5, 225.00 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS.

ALL THAT PART OF BLOCK FIVE (5) IN BICKERDIKE MANOR SUBDIVISION OF THAT PART OF THE SOUTHWEST QUARTER (SW1/4) OF SECTION TWENTY FOUR (24), TOWNSHIP FORTY (40) NORTH, RANGE THIRTEEN (13) EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF WEST ROSCOE STREET AND EAST OF JOSEPH BICKERDIKE'S THIRD SUBDIVISION AND OF ELSTON AVENUE, AS SHOWN BY PLAT RECORDED JULY 5, 1905, IN BOOK 90 OF PLATS, AT PAGE 11, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE SOUTH LINE OF WEST CORNELIA AVENUE, (SAID SOUTH LINE BEING A LINE THIRTY THREE (33) FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID BLOCK FIVE (5)); SAID POINT BEING TWO HUNDRED NINETY THREE (293) FEET EAST OF THE WEST LINE OF SAID BLOCK FIVE (5); THENCE SOUTH ALONG A LINE TWO HUNDRED NINETY THREE (293) FEET EAST OF AND PARALLEL TO THE WEST LINE OF SAID BLOCK FIVE (5) FOR A DISTANCE OF TWO HUNDRED TWENTY FIVE (225) FEET; THENCE SOUTHWESTERLY TO A POINT IN A LINE WHICH IS TWO HUNDRED FIFTY (250) FEET SOUTH OF AND PARALLEL TO SAID SOUTH LINE OF WEST CORNELIA AVENUE, SAID POINT BEING TWO HUNDRED SEVENTY THREE (273) FEET EAST OF THE WEST LINE OF SAID BLOCK FIVE (5); THENCE WEST ALONG A LINE TWO HUNDRED FIFTY (250) FEET SOUTH OF AND PARALLEL TO THE SOUTH LINE OF WEST CORNELIA AVENUE FOR A DISTANCE OF FORTY (40) FEET; THENCE NORTH ALONG A LINE WHICH IS TWO HUNDRED THIRTY THREE (233) FEET OF AND PARALLEL TO THE WEST LINE OF SAID BLOCK FIVE (5) FOR A DISTANCE OF TWO HUNDRED FIFTY (250) FEET TO ITS INTERSECTION WITH THE SOUTH LINE OF WEST CORNELIA AVENUE; THENCE EAST ALONG SAID SOUTH LINE TO THE POINT OF BEGINNING, SITUATED IN COOK COUNTY, ILLINOIS; THAT PART OF BLOCKS 3, 4, 6 AND 7 IN BICKERDIKE MANOR SUBDIVISION OF THAT PART OF THE SOUTHWEST 1/4 OF SECTION 24, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, NORTH OF WEST ROSCOE STREET AND EAST OF JOSEPH BICKERDIKE'S THIRD SUBDIVISION AND OF ELSTON AVENUE AS SHOWN ON THE PLAT RECORDED JULY 5, 1905 IN BOOK 90 OF PLATS, AT PAGE 11, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS, TO-WIT: BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF THE SOUTH 33.00 FEET OF SAID BLOCK 3 WITH THE EAST LINE OF SAID BLOCK 3; THENCE SOUTH 01 DEGREES 05 MINUTES 05 SECONDS WEST, ALONG SAID EAST LINE BLOCK 3 AND THE EAST LINE OF SAID BLOCK 7 FOR 102.02 FEET TO A POINT IN A LINE THAT IS 102.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE SOUTH 33.00 FEET OF SAID BLOCKS 3 AND 4; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG SAID PARALLEL LINE FOR 451.58 FEET; THENCE NORTH 45 DEGREES 29 MINUTES 24 SECONDS WEST FOR 98.43 FEET TO THE SOUTH LINE OF SAID BLOCK 4; THENCE NORTH 01 DEGREES 06 MINUTES 52 SECONDS WEST FOR 15.00 FEET TO THE NORTH LINE OF THE SOUTH 15.00 FEET OF SAID BLOCK 4; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG SAID NORTH LINE OF THE SOUTH 15.00 FEET OF BLOCK 4 FOR 110.00 FEET TO THE EAST LINE OF THE WEST 33.00 FEET OF SAID BLOCK 4; THENCE NORTH 01 DEGREES 06 MINUTES 52 SECONDS WEST ALONG SAID EAST LINE OF THE WEST 33.00 FEET OF BLOCK 4 FOR 18.00 FEET TO THE NORTH LINE OF THE SOUTH 33.00

FEET OF SAID BLOCK 4; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID NORTH LINE OF THE SOUTH 33.00 FEET OF SAID BLOCK 3 AND 4 FOR 629.92 FEET TO THE PLACE OF BEGINNING. ALL SITUATED IN THE COUNTY OF COOK, IN THE STATE OF ILLINOIS,

to the designation of a Business Planned Development which is hereby established in the area above described, subject to such use and bulk regulations as are set forth in the Plan of Development attached herewith and made a part thereof and to no others.

**SECTION 3:** This ordinance shall take effect upon its passage and due publication.

2801-63 W. Addison; 3400-3558 N. California; 2800-2964 W. Roscoe; 3421-25 N. Elston; & 3419-25 N. Whipple

**STANDARD PLANNED DEVELOPMENT STATEMENTS**

1. The area delineated herein as Planned Development Number TBD, (Planned Development) consists of approximately 1,342,067 square feet of property which is depicted on the attached Planned Development Boundary and Property Line Map (Property) and is owned or controlled by the Applicant, commonwealth Edison Company.
2. The requirements, obligations and conditions contained within this Planned Development shall be binding upon the Applicant, its successors and assigns and, if different than the Applicant, the legal title holders and any ground lessors. All rights granted hereunder to the Applicant shall inure to the benefit of the Applicant's successors and assigns and, if different than the Applicant, the legal title holder and any ground lessors. Furthermore, pursuant to the requirements of Section 17-8-0400 of the Chicago Zoning Ordinance, the Property, at the time of application for amendments, modifications or changes (administrative, legislative or otherwise) to this Planned Development are made, shall be under single ownership or designated control. Single designated control is defined in Section 17-8-0400.
3. All applicable official reviews, approvals or permits are required to be obtained by the Applicant or its successors, assignees or grantees. Any dedication or vacation of streets or alleys or grants of easements or any adjustment of the right-of-way shall require a separate submittal to the Department of Transportation on behalf of the Applicant or its successors, assigns or grantees.

Any requests for grants of privilege, or any items encroaching on the public way, shall be in compliance with the Planned Development.

Ingress or egress shall be pursuant to the Planned Development and may be subject to the review and approval of the Departments of Planning and Development and Transportation. Closure of all or any public street or alley during demolition or construction shall be subject to the review and approval of the Department of Transportation.

All work proposed in the public way must be designed and constructed in accordance with the Department of Transportation Construction Standards for Work in the Public Way and in compliance with the Municipal Code of Chicago. Prior to the issuance of any Part II approval, the submitted plans must be approved by the Department of Transportation.

The Applicant commits to installing a screen wall along the south side of Addison Street and the east side of California Avenue as an off-site infrastructure improvement to screen the existing electrical substation located at the southeast corner of Addison Street and California Avenue as depicted in the PD Exhibits prior to issuance of the final Certificate of Occupancy of Phase 1 development of the office building.

Applicant:	Commonwealth Edison Company
Address:	2801-63 W. Addison; 3400-3558 N California; 2800-2964 W. Roscoe; 3421-25 N. Elston; 3419-25 N. Whipple
Introduced:	January 17, 2018
Plan Commission:	TBD

4. This Plan of Development consists of Seventeen Statements: a Bulk Regulations Table; an Existing Zoning Map; an Existing Land-Use Map; a Planned Development Boundary and Property Line Map; Phasing Plan; Site Plan; Overall Landscape Plan; Landscape Plan; Landscape Plan – Parking Lots; and Building Elevations (North, South, East and West) prepared by Solomon Cordwell Benz and dated January 10, 2018, submitted herein. Full-sized copies of the Site Plan, Landscape Plan and Building Elevations are on file with the Department of Planning and Development. In any instance where a provision of this Planned Development conflicts with the Chicago Building Code, the Building Code shall control. This Planned Development conforms to the intent and purpose of the Chicago Zoning Ordinance, and all requirements thereto, and satisfies the established criteria for approval as a Planned Development. In case of a conflict between the terms of this Planned Development Ordinance and the Chicago Zoning Ordinance, this Planned Development shall control.
5. The following uses are permitted in the area delineated herein as a Planned Development: office, utilities and services, minor, including electrical substation and solar array panels, warehousing, outdoor storage of materials and vehicles, fuel station, accessory parking, co-located and freestanding (towers) wireless communication facilities, interim surface accessory parking and related and ancillary uses.
6. On-Premise signs and temporary signs, such as construction and marketing signs, shall be permitted within the Planned Development, subject to the review and approval of the Department of Planning and Development. Off-Premise signs are prohibited within the boundary of the Planned Development.
7. For purposes of height measurement, the definitions in the Chicago Zoning Ordinance shall apply. The height of any building shall also be subject to height limitations, if any, established by the Federal Aviation Administration.
8. The maximum permitted floor area ratio (FAR) for the Property shall be in accordance with the attached Bulk Regulations and Data Table. For the purpose of FAR calculations and measurements, the definitions in the Zoning Ordinance shall apply. The permitted FAR identified in the Bulk Regulations and Data Table has been determined using a net site area of 1,342,067 square feet and a base FAR of 2.20.
9. Upon review and determination, Part II Review, pursuant to Section 17-13-0610, a Part II Review Fee shall be assessed by the Department of Planning and Development. The fee, as determined by staff at the time, is final and binding on the Applicant and must be paid to the Department of Revenue prior to the issuance of any Part II approval.
10. The Site and Landscape Plans shall be in substantial conformance with the Landscape Ordinance and any other corresponding regulations and guidelines, including Section 17-13-0800. Final landscape plan review and approval will be by the Department of Planning and Development. Any interim reviews associated with site plan review or Part II reviews, are conditional until final Part II approval.

Applicant:	Commonwealth Edison Company
Address:	2801-63 W. Addison, 3400-3558 N California, 2800-2964 W. Roscoe; 3421-25 N. Elston; 3419-25 N. Whipple
Introduced:	January 17, 2018
Plan Commission:	TBD

11. The Applicant shall comply with Rules and Regulations for the Maintenance of Stockpiles promulgated by the Commissioners of the Departments of Streets and Sanitation, Fleet and Facility Management and Buildings, under Section 13-32-085, or any other provision of the Municipal Code of Chicago.
12. The terms and conditions of development under this Planned Development ordinance may be modified administratively, pursuant to Section 17-13-0611-A, by the Zoning Administrator upon the application for such a modification by the Applicant, its successors and assigns and, if different than the Applicant, the legal title holders and any ground lessors.
13. The Applicant acknowledges that it is in the public interest to design, construct and maintain the project in a manner which promotes, enables and maximizes universal access throughout the Property. Plans for all buildings and improvements on the Property shall be reviewed and approved by the Mayor's Office for People with Disabilities to ensure compliance with all applicable laws and regulations related to access for persons with disabilities and to promote the highest standard of accessibility.
14. The Applicant acknowledges that it is in the public interest to design, construct, renovate and maintain all buildings in a manner that provides healthier indoor environments, reduces operating costs and conserves energy and natural resources. The Applicant shall obtain the number of points necessary to meet the requirements of the Chicago Sustainable Development Policy, in effect at the time the Part II review process is initiated for each improvement that is subject to the aforementioned Policy and must provide documentation verifying compliance.
15. The Applicant acknowledges that it is the policy of the City to maximize opportunities for Minority and Women-owned Business Enterprises ("M/WBEs") and city residents to compete for contracts and jobs on construction projects approved through the planned development process. To assist the city in promoting and tracking such M/WBE and city resident participation, an applicant for planned development approval shall provide information at three points in the city approval process. First, the applicant must submit to DPD, as part of its application for planned development approval, an M/WBE Participation Proposal. The M/WBE Participation Proposal must identify the applicant's goals for participation of certified M/WBE firms in the design, engineering and construction of the project, and of city residents in the construction work. The city encourages goals of 26% MBE and 6% WBE participation (measured against the total construction budget for the project or any phase thereof), and (ii) 50% city resident hiring (measured against the total construction work hours for the project or any phase thereof). The M/WBE Participation Proposal must include a description of the Applicant's proposed outreach plan designed to inform M/WBEs and city residents of job and contracting opportunities. Second, at the time of the Applicant's submission for Part II permit review for the project or any phase thereof, the Applicant must submit to DPD (a) updates (if any) to the Applicant's preliminary outreach plan, (b) a description of the Applicant's outreach efforts and evidence of such outreach, including, without limitation, copies of certified letters to M/WBE contractor associations and the ward office of the alderman in which the project is located and receipts

Applicant:	Commonwealth Edison Company
Address:	2801-63 W. Addison; 3400-3558 N California; 2800-2964 W. Roscoe; 3421-25 N. Elston; 3419-25 N Whipple
Introduced:	January 17, 2018
Plan Commission:	TBD

thereof; (c) responses to the Applicant's outreach efforts, and (d) updates (if any) to the applicant's M/WBE and city resident participation goals. Third, prior to issuance of a Certificate of Occupancy for the project or any phase thereof, the Applicant must provide DPD with the actual level of M/WBE and city resident participation in the project or any phase thereof, and evidence of such participation. In addition to the forgoing, DPD may request such additional information as the department determines may be necessary or useful in evaluating the extent to which M/WBEs and city residents are informed of and utilized in planned development projects. All such information will be provided in a form acceptable to the Zoning Administrator. DPD will report the data it collects regarding projected and actual employment of M/WBEs and city residents in planned development projects twice yearly to the Chicago Plan Commission and annually to the Chicago City Council and the Mayor.

16. Prior to the Part II Approval (Section 17-13-0610 of the Chicago Zoning Ordinance) of any future development phases, the Applicant shall submit a site plan, landscape plan and building elevations for the specific development phase(s) for review and approval by the Department of Planning and Development (DPD). Review and approval by DPD is intended to assure that specific development components substantially conform with the Planned Development (PD) and to assist the City in monitoring ongoing development. Development Phase Site Plan Approval Submittals (Section 17-13-0800) need only include that portion of the Property for which approval is being sought by the Applicant. If the Applicant is seeking approval for a portion of the Property that represents less than an entire Phase, the Applicant shall also include a site plan for that area of the Property which is bounded on all sides by either public Rights-of-Way or the boundary of the nearest Phase area. The site plan provided shall include all dimensioned and planned street Rights-of-Way.

No Part II Approval for any portion of the Property shall be granted until Site Plan approval has been granted. Following approval by DPD, the approved Development Phase Site Plan Approval Submittals, supporting data and materials shall be made part of the main file and shall be deemed to be an integral part of the PD.

After approval of the Development Phase Site Plan, changes or modifications may be made pursuant to the provisions of Statement TBD. In the event of any inconsistency between approved plans and the terms of the PD, the terms of the PD shall govern. Any Development Phase Site Plan Approval Submittals shall, at a minimum, provide the following information:

- fully-dimensioned site plan (including a footprint of the proposed improvements);
- fully-dimensioned building elevations;
- fully-dimensioned landscape plan(s); and,
- statistical information applicable to the subject phase, including floor area, the applicable floor area ratio, uses to be established, building heights and setbacks.

Development Phase Site Plan Approval Submittals shall include all other information necessary to illustrate substantial conformance to the PD.

Applicant:	Commonwealth Edison Company
Address:	2801-63 W Addison; 3400-3558 N. California; 2800-2964 W. Roscoe; 3421-25 N. Elston; 3419-25 N. Whipple
Introduced:	January 17, 2018
Plan Commission:	TBD

17. This Planned Development shall be governed by Section 17-13-0612. Should this Planned Development ordinance lapse, the Commissioner of the Department of Planning and Development shall initiate a Zoning Map Amendment to rezone the property to (underlying zoning that formed the basis of this Planned Development).

Applicant. Commonwealth Edison Company  
Address 2801-63 W. Addison; 3400-3558 N. California; 2800-2964 W. Roscoe; 3421-25 N. Elston; 3419-25 N. Whipple  
Introduced: January 17, 2018  
Plan Commission: TBD

**BUSINESS PLANNED DEVELOPMENT  
BULK REGULATION AND DATA TABLE**

Net Site Area:	1,342,067 sf (30.81 acres)
Maximum Floor Area Ratio:	2.2
Maximum Height:	
Building Structures:	75'-0"
Wireless Communication Towers	115'-0"
Maximum Accessory Parking:	1320 spaces
Loading Berths:	
Office Building:	1
Warehouse:	6
Outdoor Storage:	1
Total:	8
Minimum Number of Bicycle Spaces:	24
Set Backs:	Per Approved Plans

Applicant: Commonwealth Edison Company  
Address: 2801-63 W. Addison; 3400-3558 N. California; 2800-2964 W. Roscoe; 3421-25  
N. Elston; 3419-25 N. Whipple  
Introduced: January 17, 2018  
Plan Commission: TBD



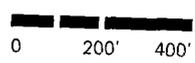
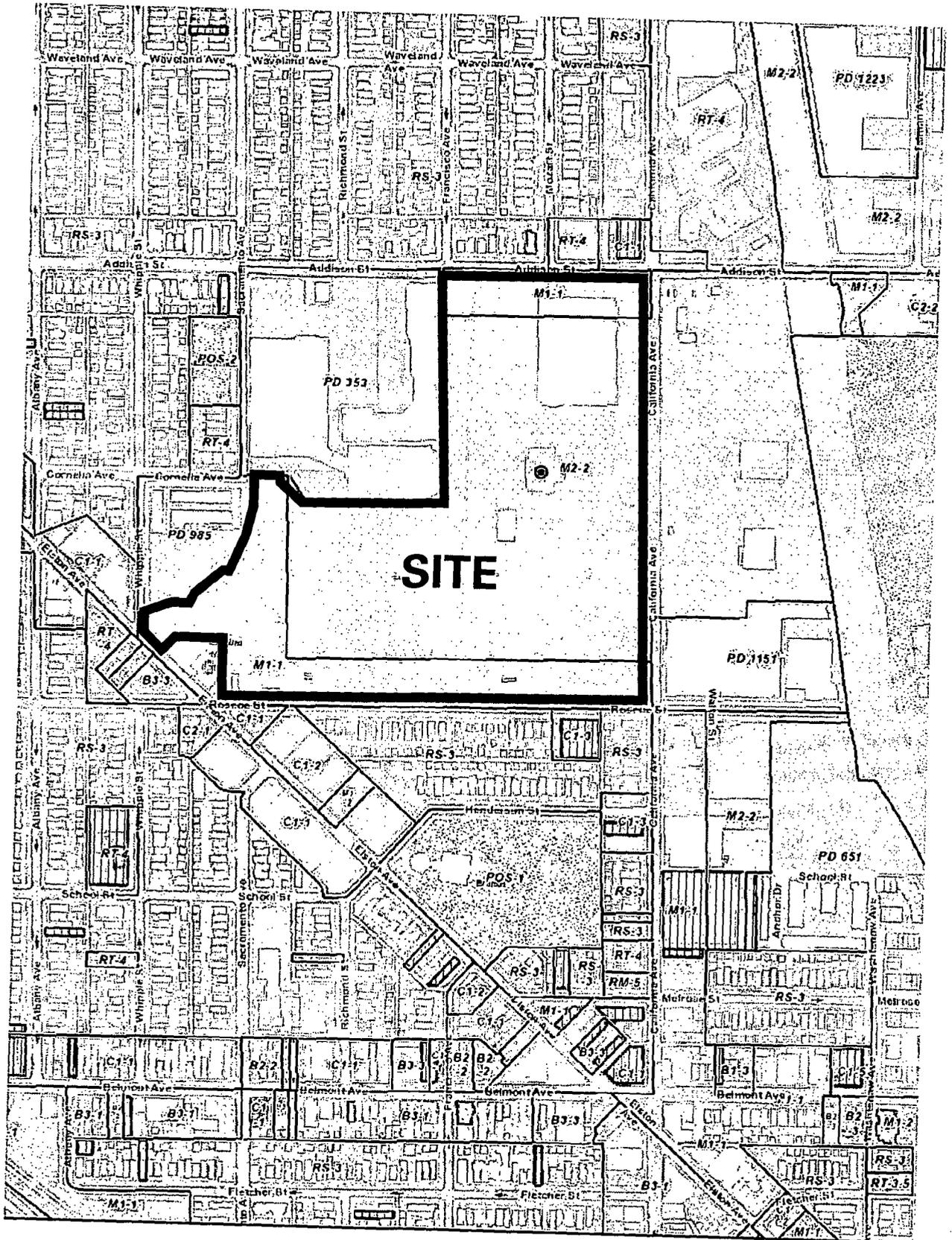
© 2018 Solomon Cordwell Buenz

**VICINITY PLAN**

**Applicant:** COMMONWEALTH EDISON COMPANY  
 2801-63 W. ADDISON; 3400-3558 N. CALIFORNIA; 2800-2964 W.  
 ROSCOE; 3421-25 N. ELSTON; 3419-25 N. WHIPPLE

**Project:** COMED NORTH SIDE REDEVELOPMENT

**Date:** 01 - 10 - 2018 **Revised:**



© 2018 Solomon Cordwell Buenz

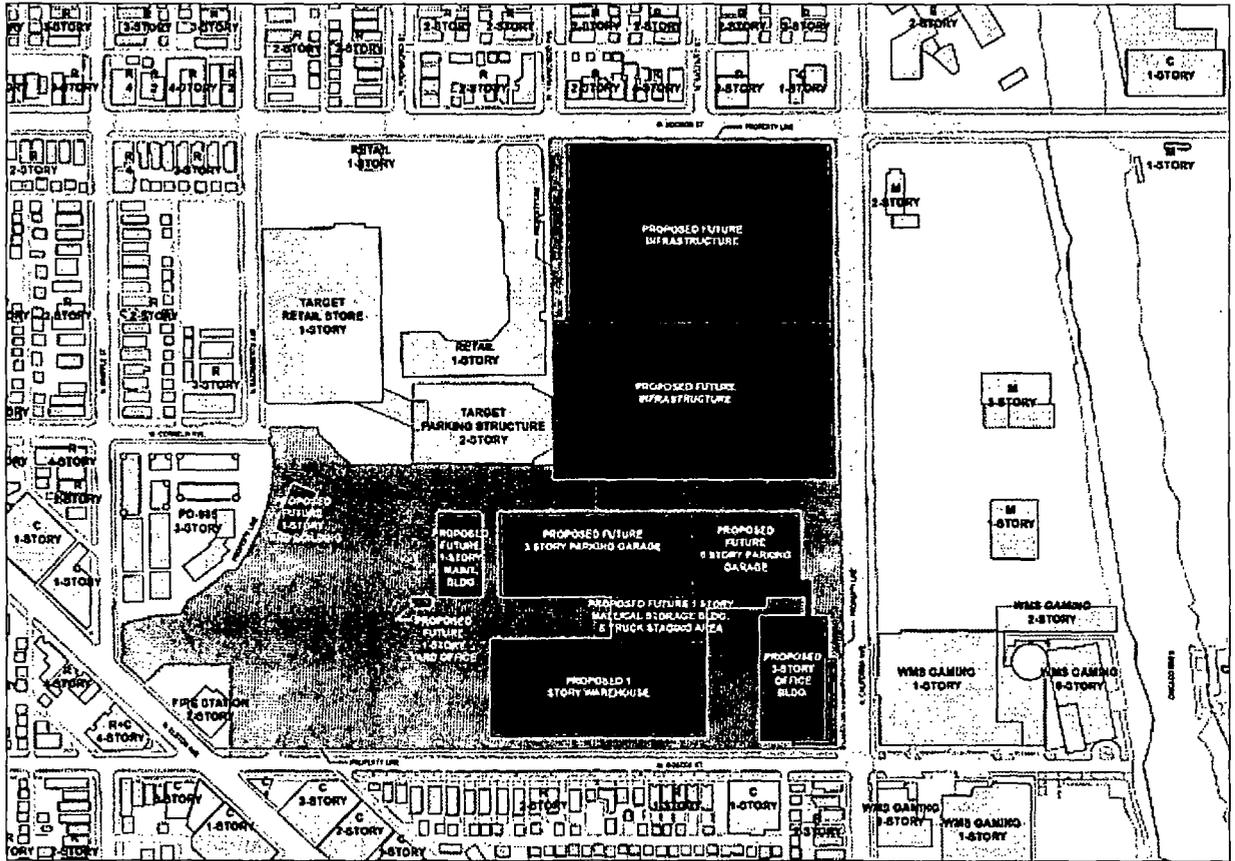


**EXISTING ZONING MAP**

**Applicant:** COMMONWEALTH EDISON COMPANY  
 2801-63 W. ADDISON; 3400-3558 N CALIFORNIA; 2800-2964 W. ROSCOE; 3421-25 N. ELSTON; 3419-25 N. WHIPPLE

**Project:** COMED NORTH SIDE REDEVELOPMENT

**Date:** 01 - 10 - 2018 **Revised:**



**EXISTING AND PROPOSED LAND USE MAP**

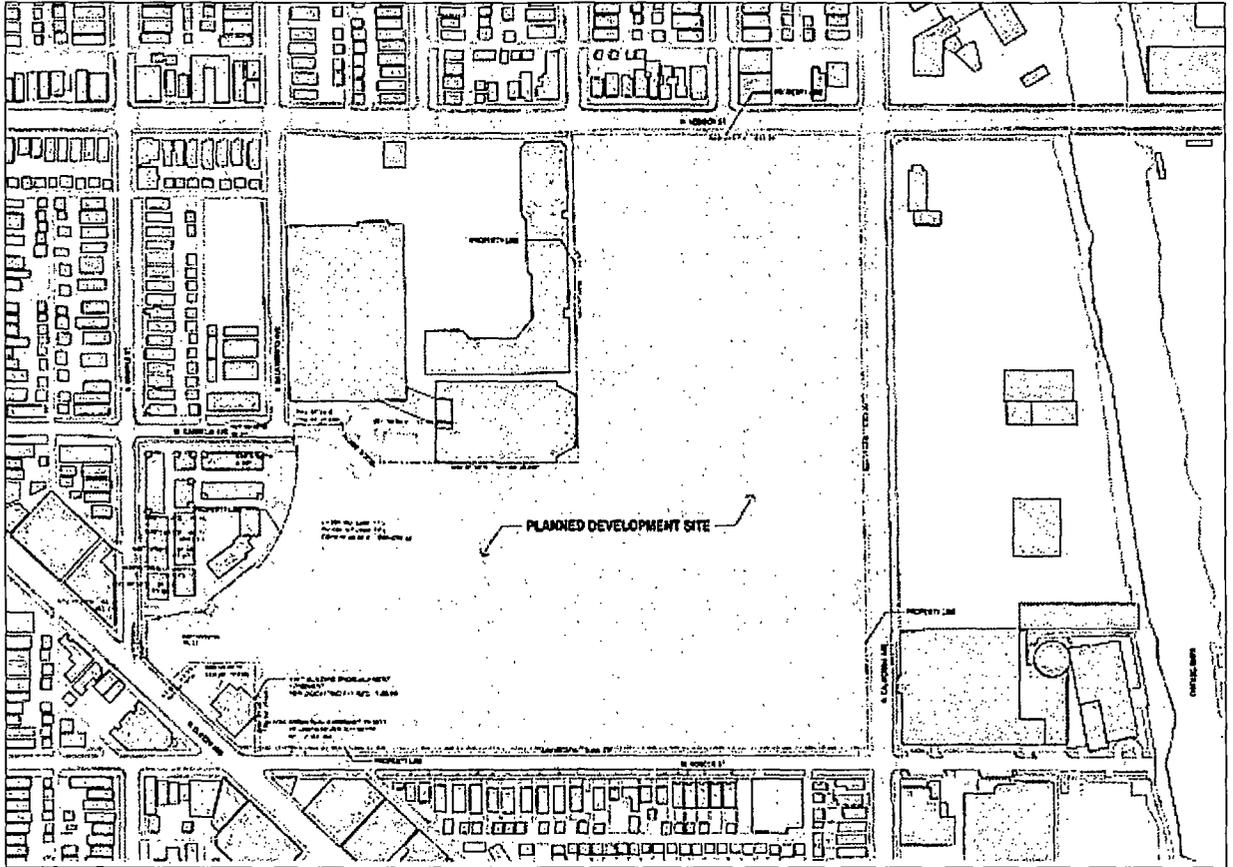
**Applicant:** COMMONWEALTH EDISON COMPANY  
 2801-63 W. ADDISON; 3400-3558 N. CALIFORNIA; 2800-2964 W. ROSCOE; 3421-25 N. ELSTON; 3419-25 N. WHIPPLE

**Project:** COMED NORTH SIDE REDEVELOPMENT

**Date:** 01 - 10 - 2018 **Revised:**



© 2018 Solomon Cordwell Buenz



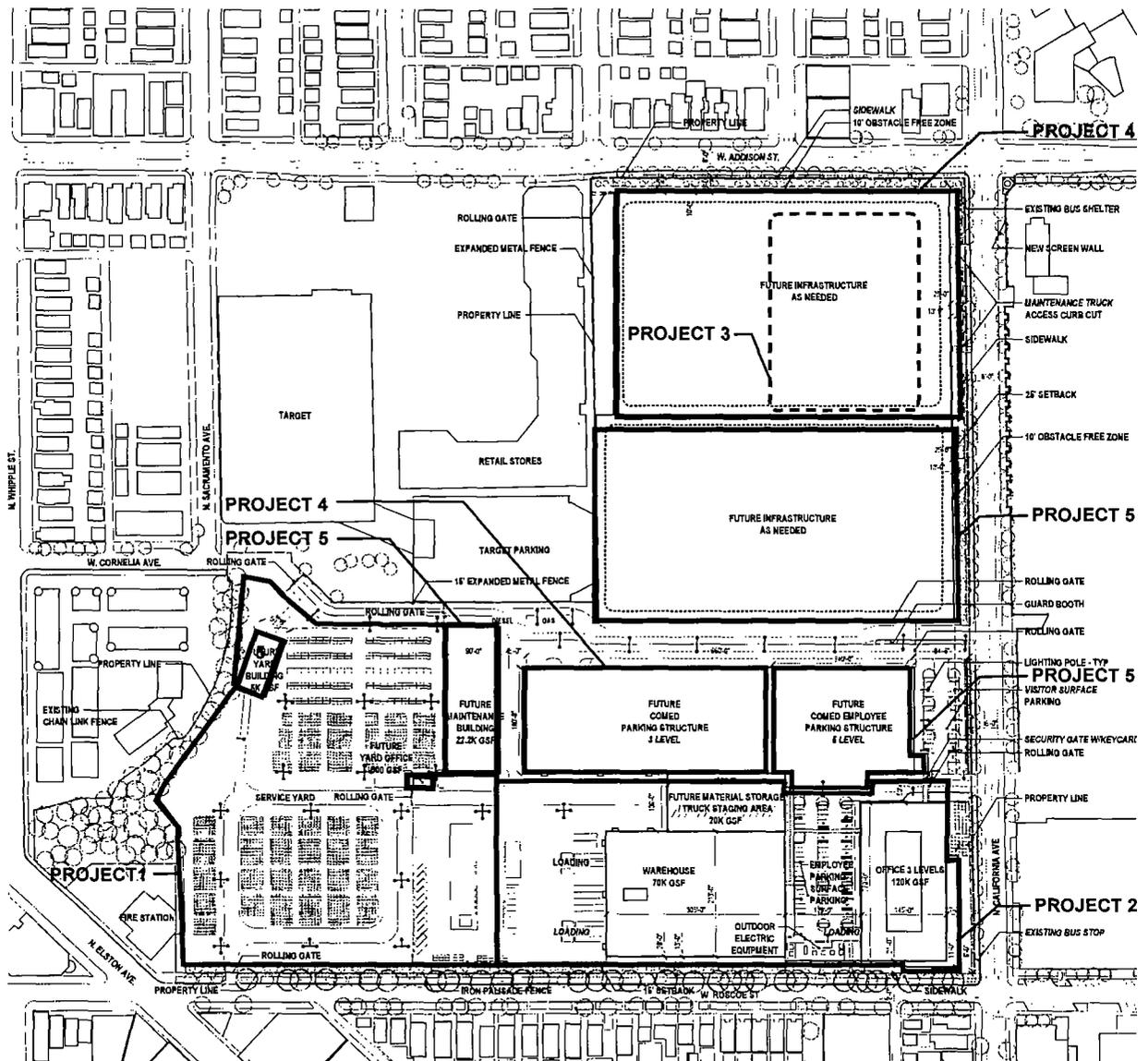
NET SITE AREA:	1,342,067 SF
AREA IN RIGHT OF WAY:	0 SF
GROSS SITE AREA:	1,342,067 SF



© 2018 Solomon Cordwell Buenz

**PLANNED DEV. BOUNDARY AND PROPERTY LINE MAP**

<b>Applicant:</b>	COMMONWEALTH EDISON COMPANY 2801-63 W ADDISON; 3400-3558 N. CALIFORNIA; 2800-2964 W. ROSCOE; 3421-25 N. ELSTON; 3419-25 N. WHIPPLE
<b>Project:</b>	COMED NORTH SIDE REDEVELOPMENT
<b>Date:</b>	01 - 10 - 2018
<b>Revised:</b>	



**PROJECT 1 - 2018**

-CONSTRUCT SUPPLY YARD RACKING & PAVING AND WATER DETENTION

**PROJECT 2 - 2018-2019**

-CONSTRUCT OFFICE BUILDING AND WAREHOUSE

**PROJECT 3 - 2019-2020**

-DEMOLISH EXISTING BUILDING

**PROJECT 4 - TBD**

-NORTH INFRASTRUCTURE, COMED VEHICLE PARKING PARKING STRUCTURE

**PROJECT 5 - TBD**

-SOUTH INFRASTRUCTURE, EMPLOYEE PARKING STRUCTURE, FLEET BUILDING, AND FUEL ISLAND



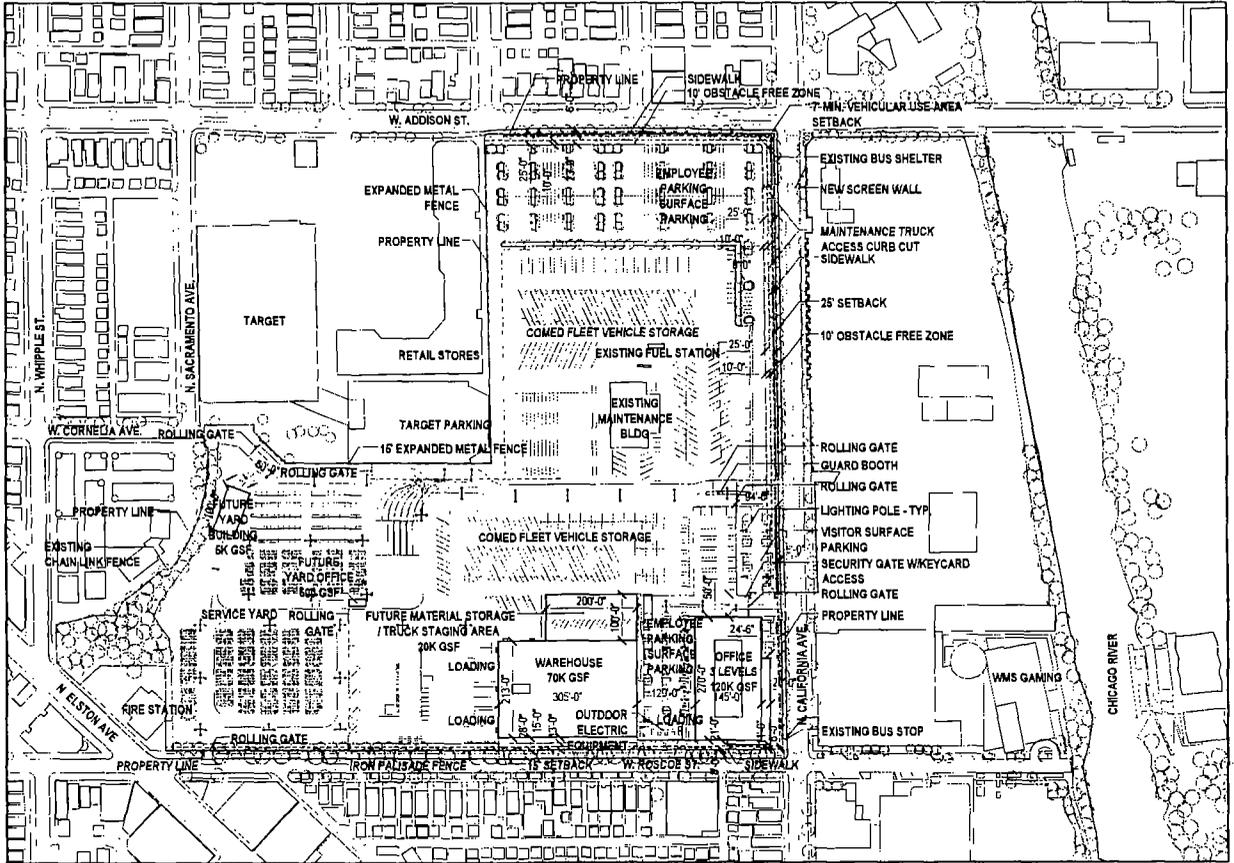
© 2018 Solomon Cordwell Buenz

**PHASING PLAN**

**Applicant:** COMMONWEALTH EDISON COMPANY  
 2801-63 W. ADDISON; 3400-3558 N. CALIFORNIA; 2800-2964 W. ROSCOE; 3421-25 N. ELSTON; 3419-25 N. WHIPPLE

**Project:** COMED NORTH SIDE REDEVELOPMENT

**Date:** 01 - 10 - 2018 **Revised:**



© 2018 Solomon Cordwell Buenz

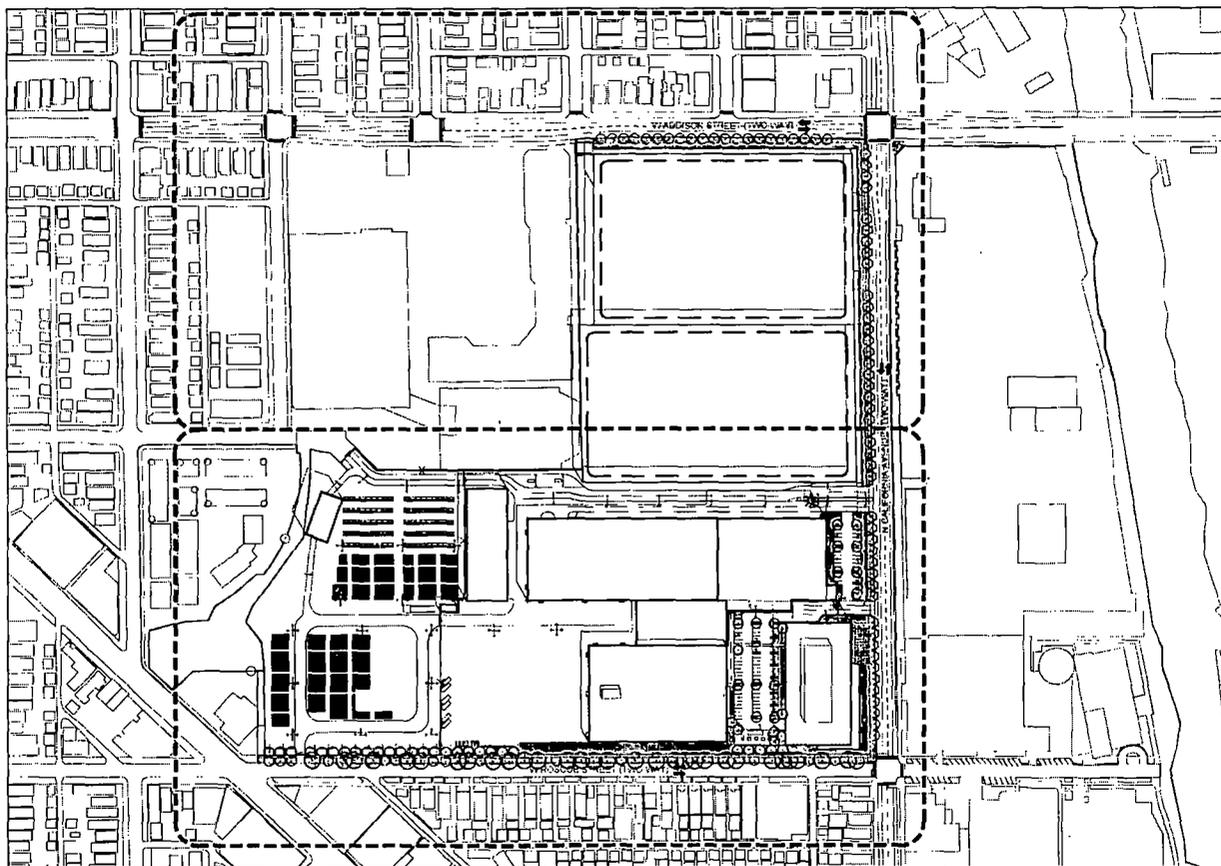
**SITE PLAN - THROUGH PROJECT 3**

**Applicant:** COMMONWEALTH EDISON COMPANY  
 2801-63 W. ADDISON; 3400-3558 N. CALIFORNIA; 2800-2964 W. ROSCOE; 3421-25 N. ELSTON; 3419-25 N. WHIPPLE

**Project:** COMED NORTH SIDE REDEVELOPMENT

**Date:** 01 - 10 - 2018 **Revised:**





0 200' 400'



© 2018 Solomon Cordwell Buenz

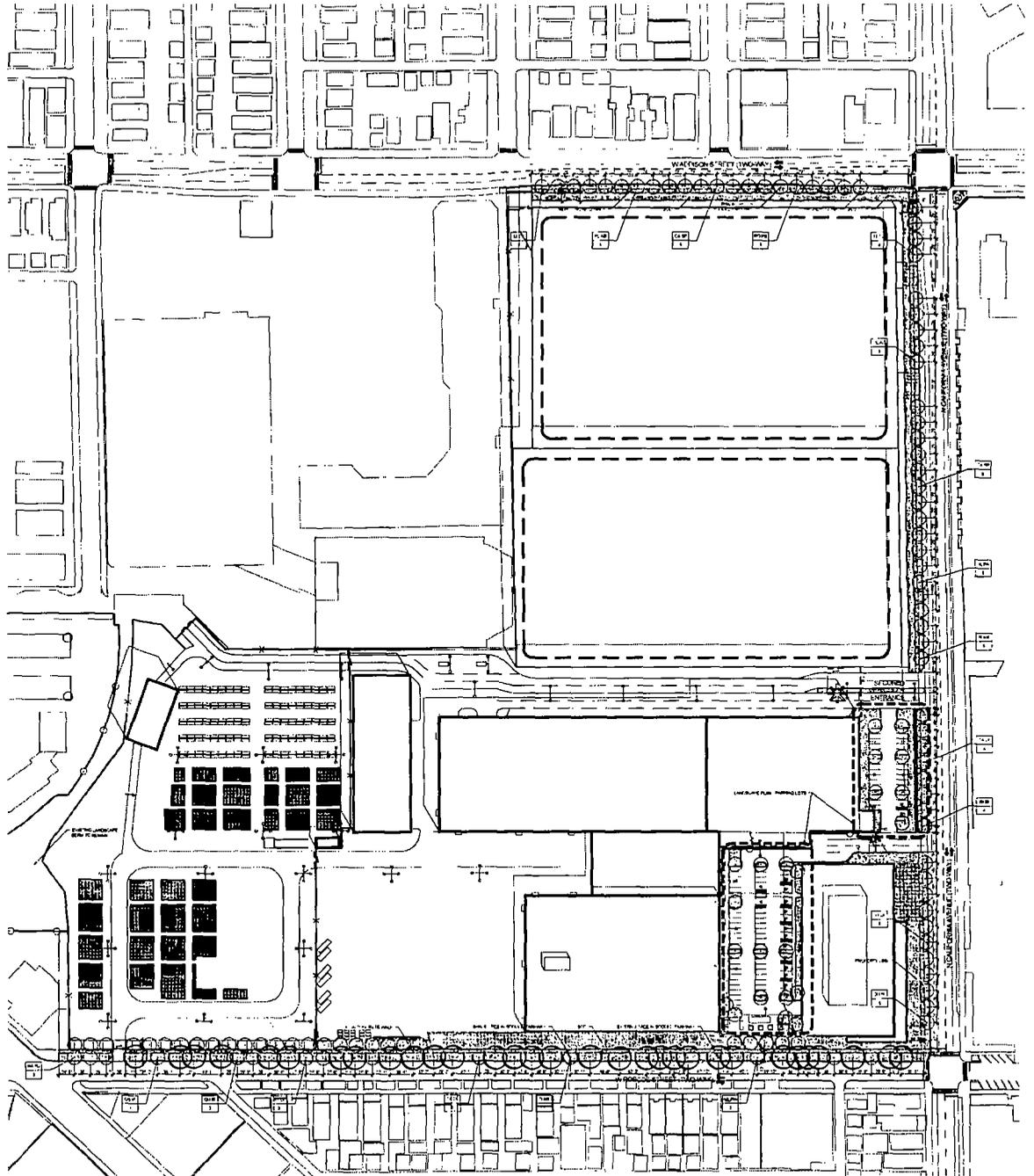


**OVERALL LANDSCAPE PLAN**

**Applicant:** COMMONWEALTH EDISON COMPANY  
 2801-63 W. ADDISON; 3400-3558 N. CALIFORNIA; 2800-2964 W.  
 ROSCOE; 3421-25 N. ELSTON; 3419-25 N. WHIPPLE

**Project:** COMED NORTH SIDE REDEVELOPMENT

**Date:** 02.10.2018 **Revised:**



0 125' 250'



© 2018 Solomon Cordwell Buenz

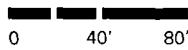
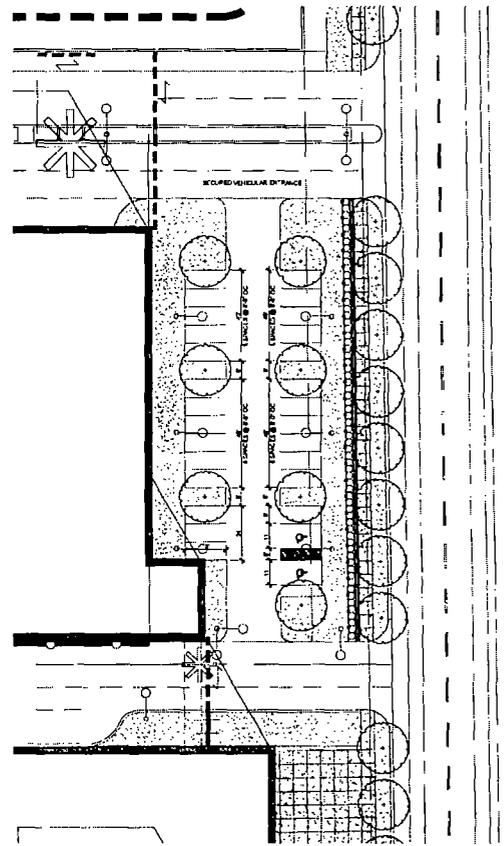
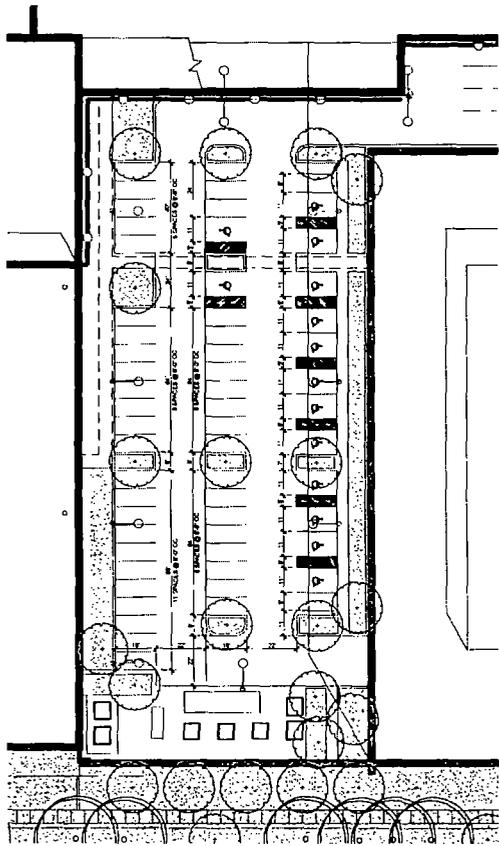


**LANDSCAPE PLAN**

**Applicant:** COMMONWEALTH EDISON COMPANY  
 2801-63 W. ADDISON; 3400-3558 N. CALIFORNIA; 2800-2964 W.  
 ROSCOE; 3421-25 N. ELSTON; 3419-25 N. WHIPPLE

**Project:** COMED NORTH SIDE REDEVELOPMENT

**Date:** 01 - 10 - 2018 **Revised:**



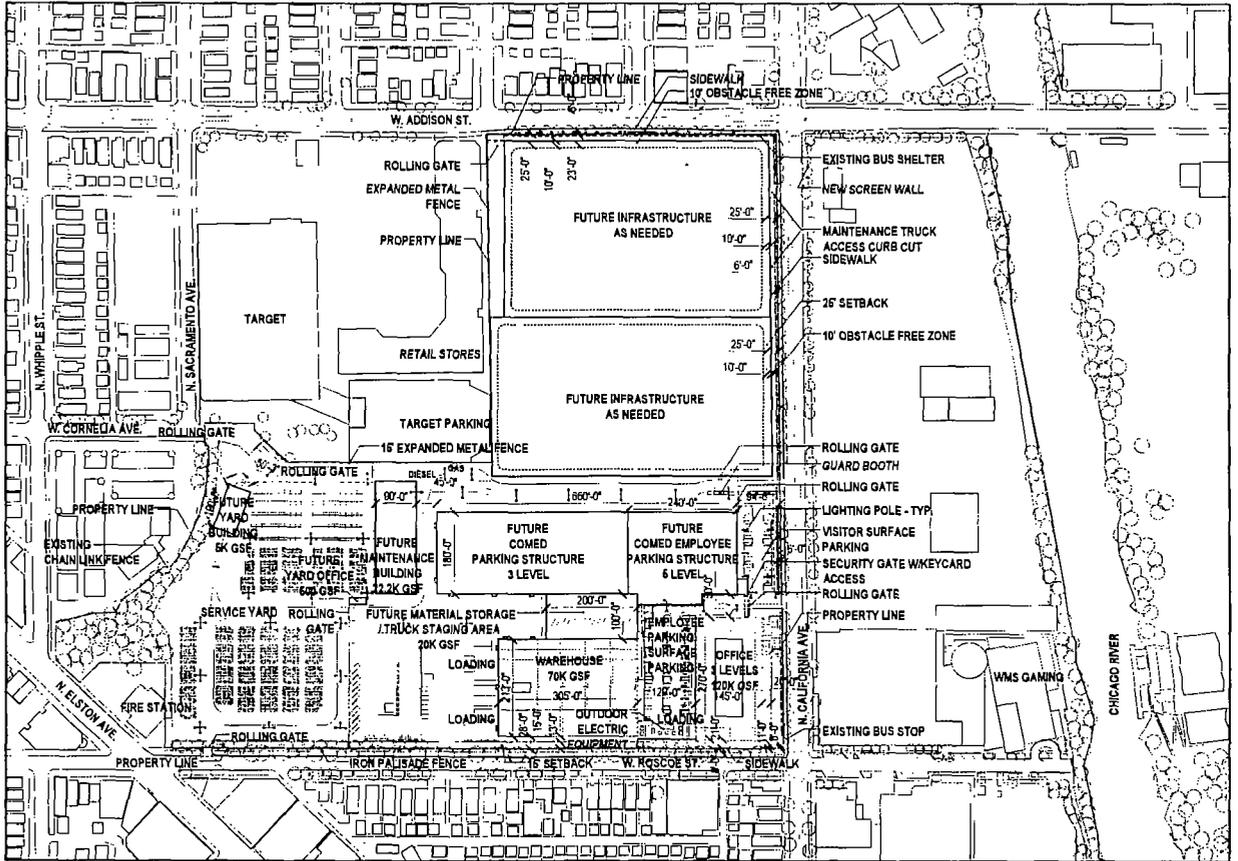
© 2018 Solomon Cordwell Buenz

**LANDSCAPE PLAN - PARKING LOTS**

**Applicant:** COMMONWEALTH EDISON COMPANY  
 2801-63 W ADDISON; 3400-3558 N. CALIFORNIA; 2800-2964 W.  
 ROSCOE; 3421-25 N. ELSTON; 3419-25 N WHIPPLE

**Project:** COMED NORTH SIDE REDEVELOPMENT

**Date:** 01 - 10 - 2018 **Revised:**



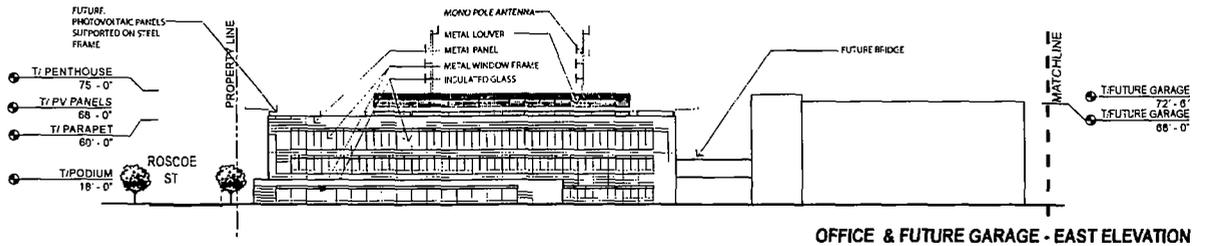
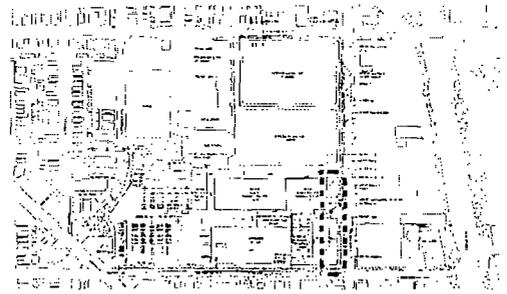
© 2018 Solomon Cordwell Buenz

**ROOF PLAN**

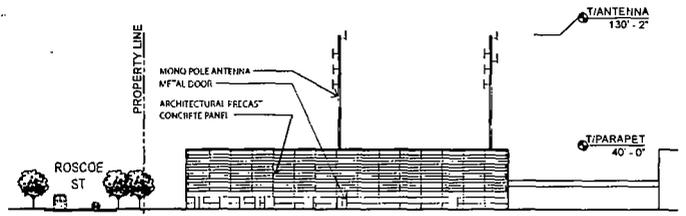
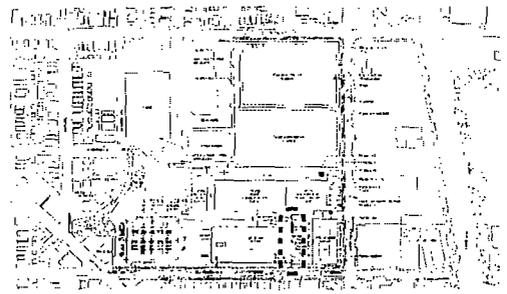
**Applicant:** COMMONWEALTH EDISON COMPANY  
 2801-63 W. ADDISON; 3400-3558 N. CALIFORNIA; 2800-2964 W. ROSCOE; 3421-25 N. ELSTON; 3419-25 N. WHIPPLE

**Project:** COMED NORTH SIDE REDEVELOPMENT

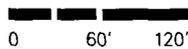
**Date:** 01 - 10 - 2018 **Revised:**



OFFICE & FUTURE GARAGE - EAST ELEVATION



WAREHOUSE & FUTURE MATERIAL STORAGE/TRUCK STAGING AREA - EAST ELEVATION

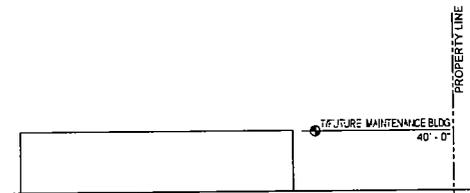
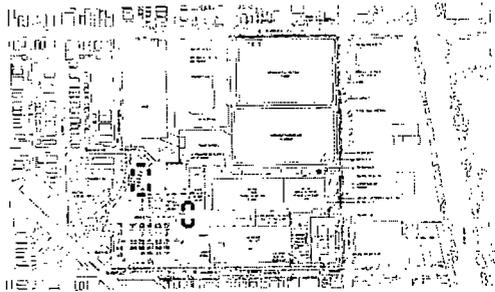


**BUILDING ELEVATIONS - EAST**

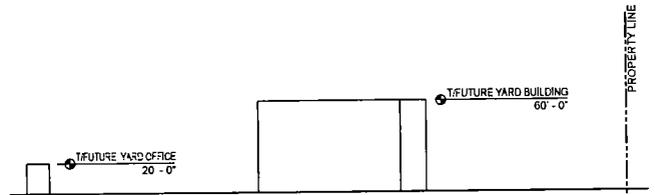
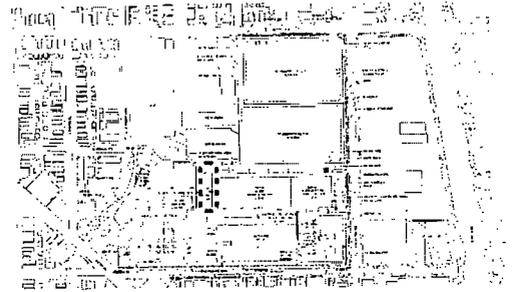
**Applicant:** COMMONWEALTH EDISON COMPANY  
 2801-63 W ADDISON; 3400-3558 N. CALIFORNIA; 2800-2964 W.  
 ROSCOE; 3421-25 N. ELSTON; 3419-25 N. WHIPPLE

**Project:** COMED NORTH SIDE REDEVELOPMENT

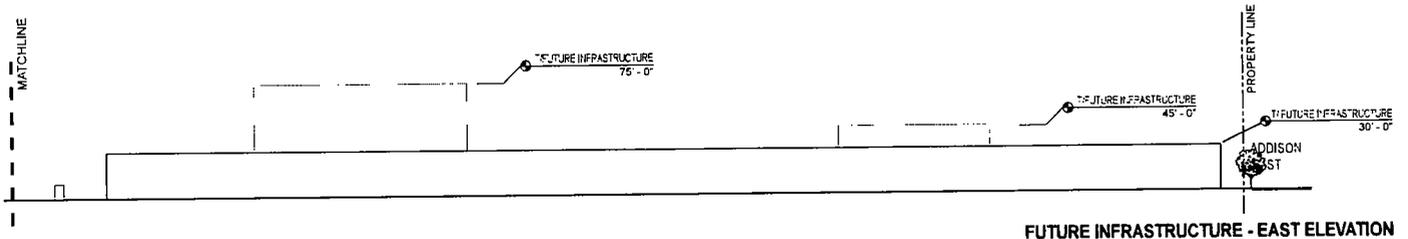
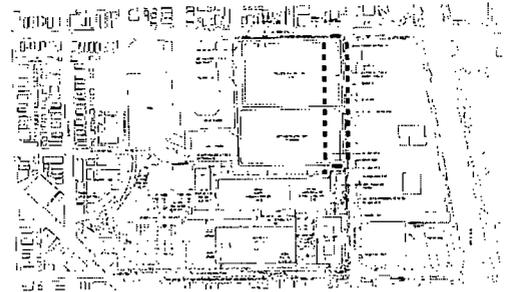
**Date:** 01.10.2018 **Revised:**



**FUTURE MAINTENANCE BLDG  
- EAST ELEVATION**



**FUTURE YARD OFFICE & FUTURE YARD BUILDING  
- EAST ELEVATION**



**FUTURE INFRASTRUCTURE - EAST ELEVATION**

**BUILDING ELEVATIONS - EAST**

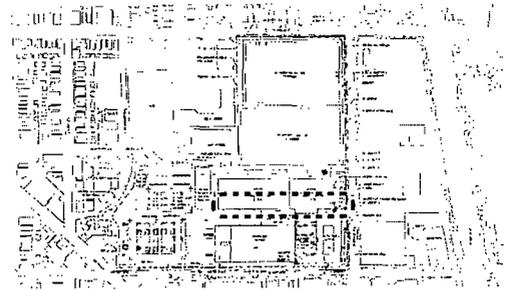


© 2018 Solomon Cordwell Buenz

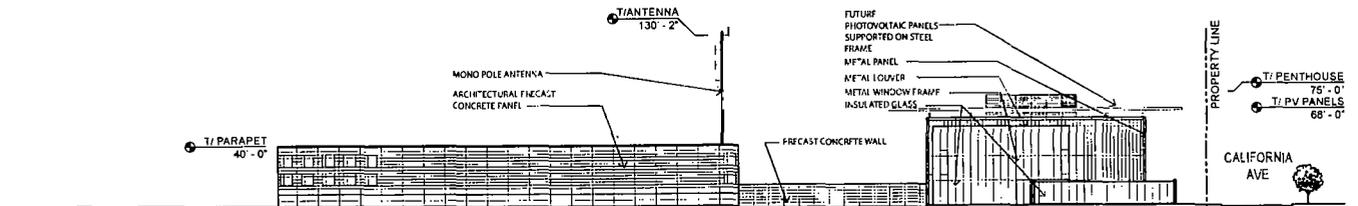
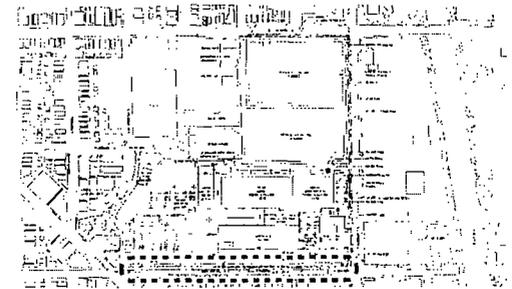
**Applicant:** COMMONWEALTH EDISON COMPANY  
 2801-63 W. ADDISON; 3400-3558 N. CALIFORNIA; 2800-2964 W.  
 ROSCOE; 3421-25 N. ELSTON; 3419-25 N. WHIPPLE

**Project:** COMED NORTH SIDE REDEVELOPMENT

**Date:** 01 - 10 - 2018 **Revised:**

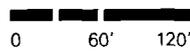


**FUTURE GARAGE , FUTURE MAINTENANCE BLDG & FUTURE YARD OFFICE- SOUTH ELEVATION**



**WAREHOUSE & OFFICE PV ALTERNATE - SOUTH ELEVATION**

**BUILDING ELEVATIONS - SOUTH**

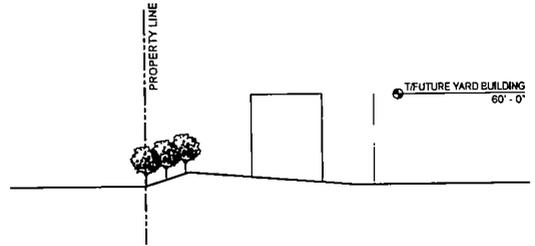
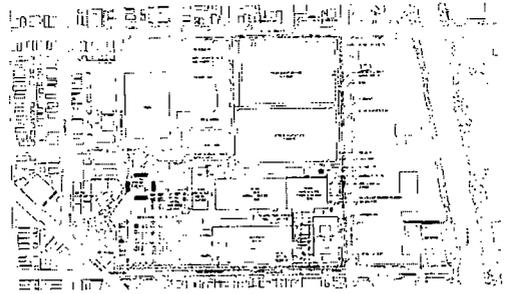


© 2018 Solomon Cordwell Buenz

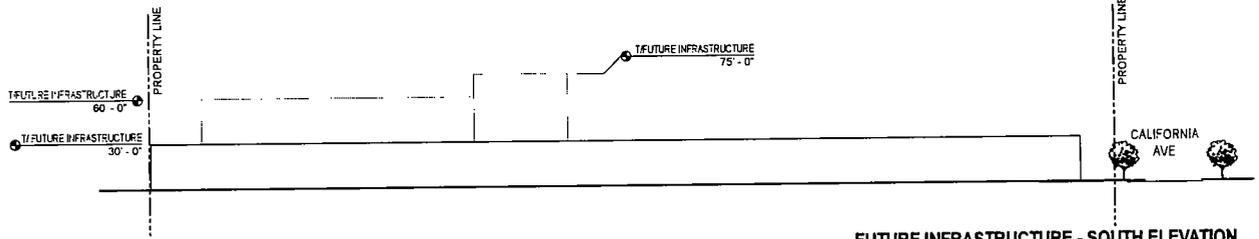
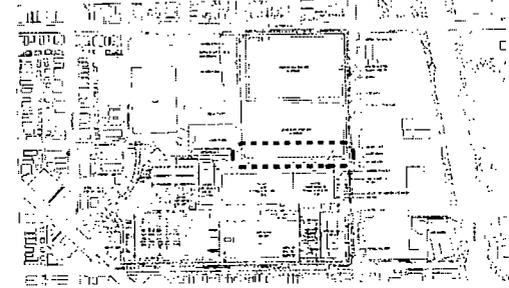
**Applicant:** COMMONWEALTH EDISON COMPANY  
 2801-63 W. ADDISON, 3400-3558 N. CALIFORNIA; 2800-2964 W. ROSCOE; 3421-25 N. ELSTON; 3419-25 N. WHIPPLE

**Project:** COMED NORTH SIDE REDEVELOPMENT

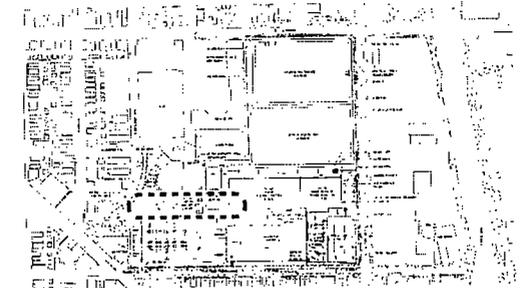
**Date:** 01 - 10 - 2018 **Revised:**



**FUTURE YARD BUILDING - SOUTH ELEVATION**



**FUTURE INFRASTRUCTURE - SOUTH ELEVATION**



**FUTURE GARAGE , FUTURE MAINTENANCE BLDG & FUTURE YARD OFFICE - SOUTH ELEVATION**

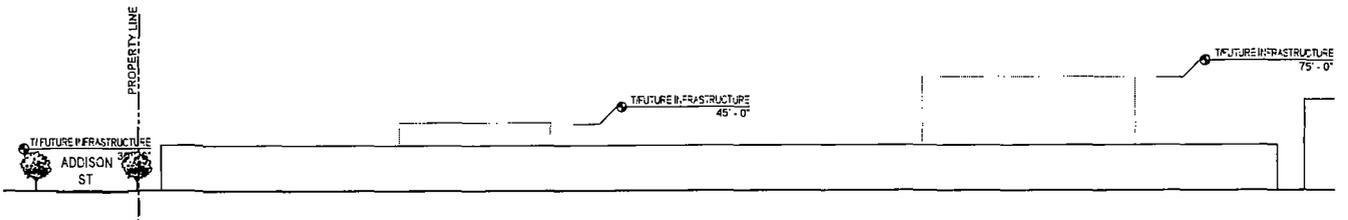
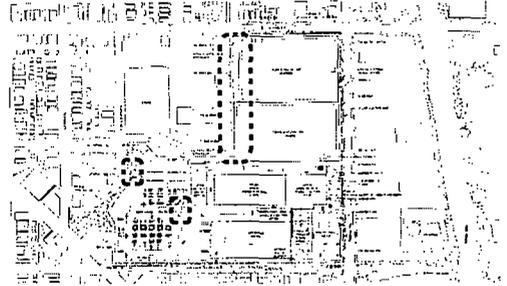
**BUILDING ELEVATIONS - SOUTH**

**Applicant:** COMMONWEALTH EDISON COMPANY  
 2801-63 W. ADDISON; 3400-3558 N CALIFORNIA; 2800-2964 W.  
 ROSCOE; 3421-25 N. ELSTON; 3419-25 N. WHIPPLE

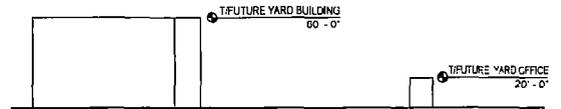
**Project:** COMED NORTH SIDE REDEVELOPMENT

**Date:** 01 - 10 - 2018 **Revised:**

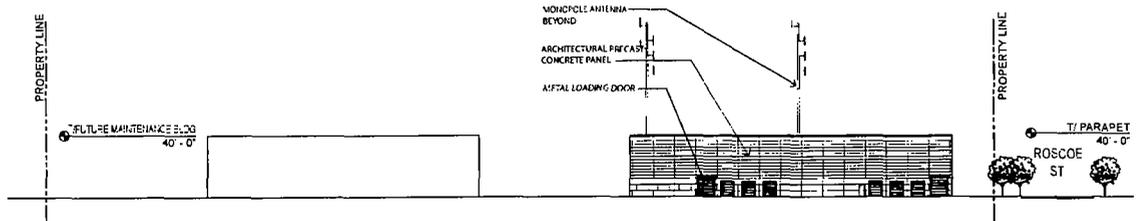




FUTURE INFRASTRUCTURE, FUTURE YARD BUILDING & FUTURE YARD OFFICE - WEST ELEVATION

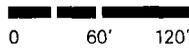


FUTURE INFRASTRUCTURE, FUTURE YARD BUILDING & FUTURE YARD OFFICE - WEST ELEVATION



WAREHOUSE & FUTURE MAINTENANCE BUILDING - WEST ELEVATION

BUILDING ELEVATIONS - WEST

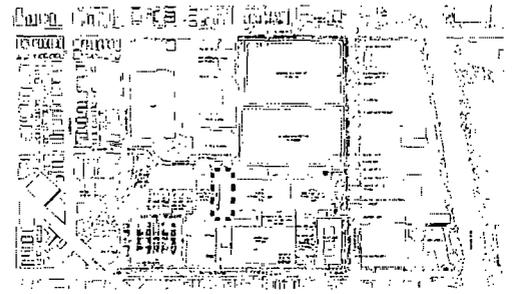


© 2018 Solomon Cordwell Buenz

**Applicant:** COMMONWEALTH EDISON COMPANY  
 2801-63 W. ADDISON; 3400-3558 N. CALIFORNIA; 2800-2964 W.  
 ROSCOE; 3421-25 N. ELSTON; 3419-25 N. WHIPPLE

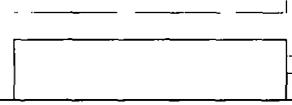
**Project:** COMED NORTH SIDE REDEVELOPMENT

**Date:** 01 - 10 - 2018 **Revised:**

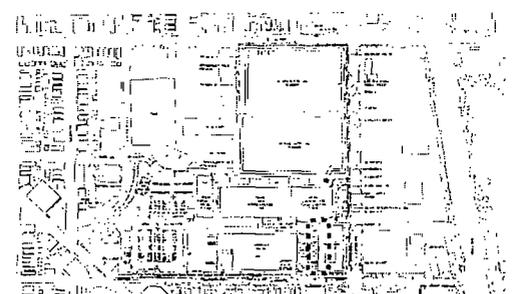


1. FUTURE GARAGE  
85' - 0"

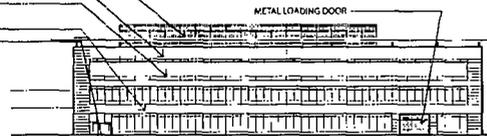
2. FUTURE GARAGE  
40' - 0"



**FUTURE GARAGE - WEST ELEVATION**



FUTURE  
PHOTOVOLTAIC PANELS  
SUPPORTED ON STEEL  
FRAME  
METAL LOUVER  
METAL PANEL  
METAL WINDOW FRAME  
INSULATED GLASS  
METAL DOOR



PROPERTY LINE

1. PENTHOUSE  
75' - 0"  
2. STRUCTURE  
PARAPET  
60' - 0"

ROSCOE  
ST

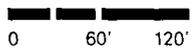
**OFFICE - WEST ELEVATION**

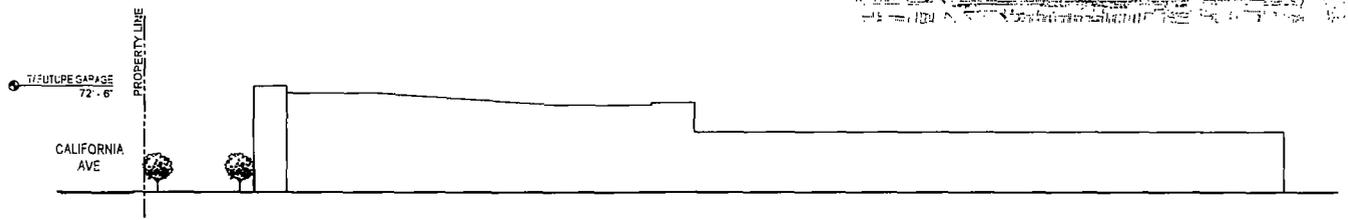
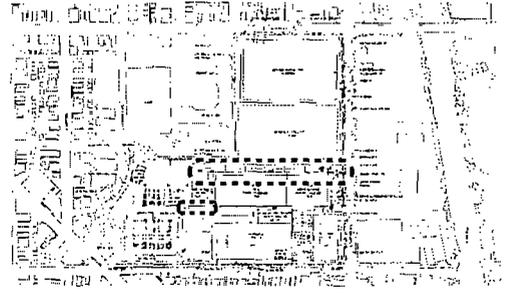
**BUILDING ELEVATIONS - WEST**

**Applicant:** COMMONWEALTH EDISON COMPANY  
2801-63 W. ADDISON; 3400-3558 N. CALIFORNIA; 2800-2964 W.  
ROSCOE; 3421-25 N. ELSTON; 3419-25 N. WHIPPLE

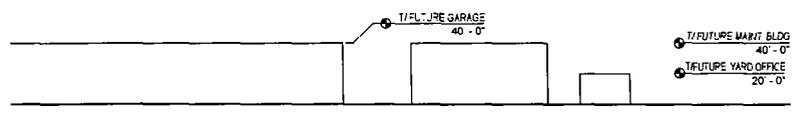
**Project:** COMED NORTH SIDE REDEVELOPMENT

**Date:** 01 - 10 - 2018 **Revised:**

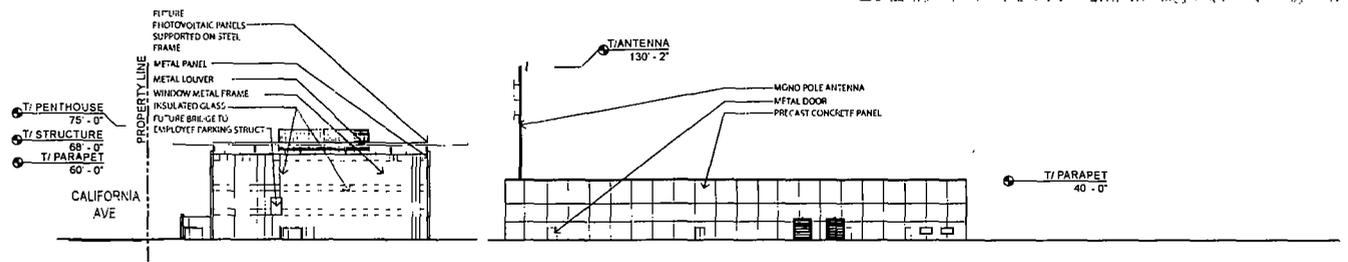
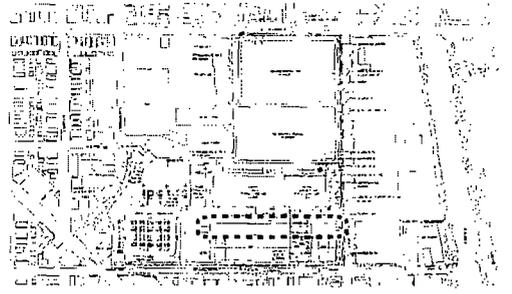




FUTURE GARAGE, FUTURE MAINTENANCE BUILDING & FUTURE YARD OFFICE - NORTH ELEVATION

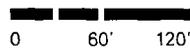


FUTURE GARAGE, FUTURE MAINTENANCE BUILDING & FUTURE YARD OFFICE - NORTH ELEVATION



OFFICE & WAREHOUSE - NORTH ELEVATION

BUILDING ELEVATIONS - NORTH



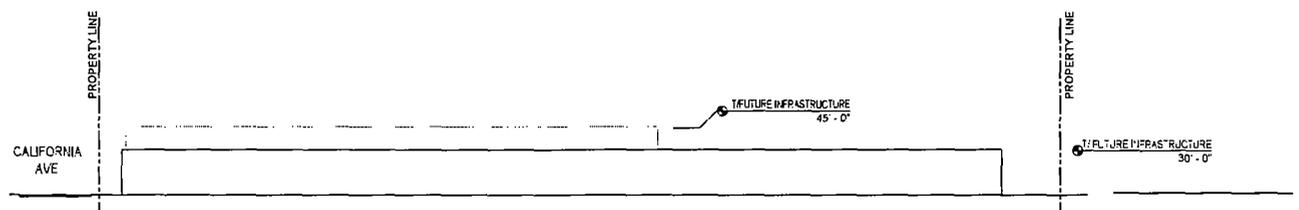
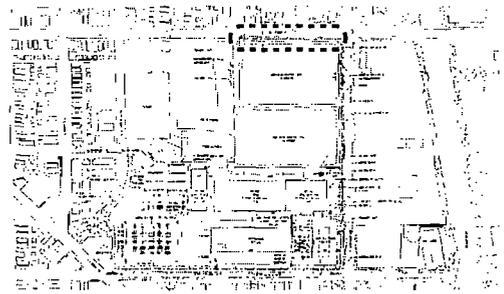
© 2018 Solomon Cordwell Buenz



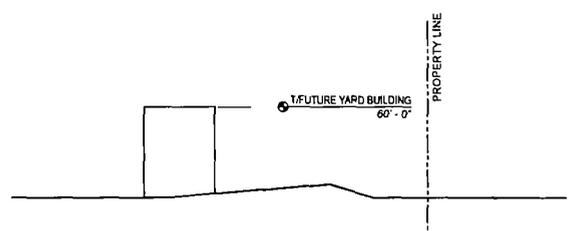
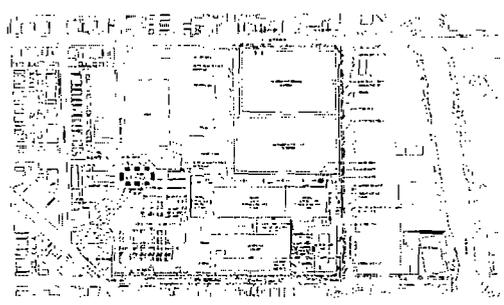
**Applicant:** COMMONWEALTH EDISON COMPANY  
 2801-63 W. ADDISON; 3400-3558 N. CALIFORNIA; 2800-2964 W. ROSCOE; 3421-25 N. ELSTON; 3419-25 N. WHIPPLE

**Project:** COMED NORTH SIDE REDEVELOPMENT

**Date:** 01 - 10 - 2018 **Revised:**



**FUTURE INFRASTRUCTURE - NORTH ELEVATION**



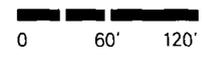
**FUTURE YARD BUILDING - NORTH ELEVATION**

**BUILDING ELEVATIONS - NORTH**

**Applicant:** COMMONWEALTH EDISON COMPANY  
 2801-63 W. ADDISON; 3400-3558 N. CALIFORNIA; 2800-2964 W.  
 ROSCOE; 3421-25 N. ELSTON; 3419-25 N. WHIPPLE

**Project:** COMED NORTH SIDE REDEVELOPMENT

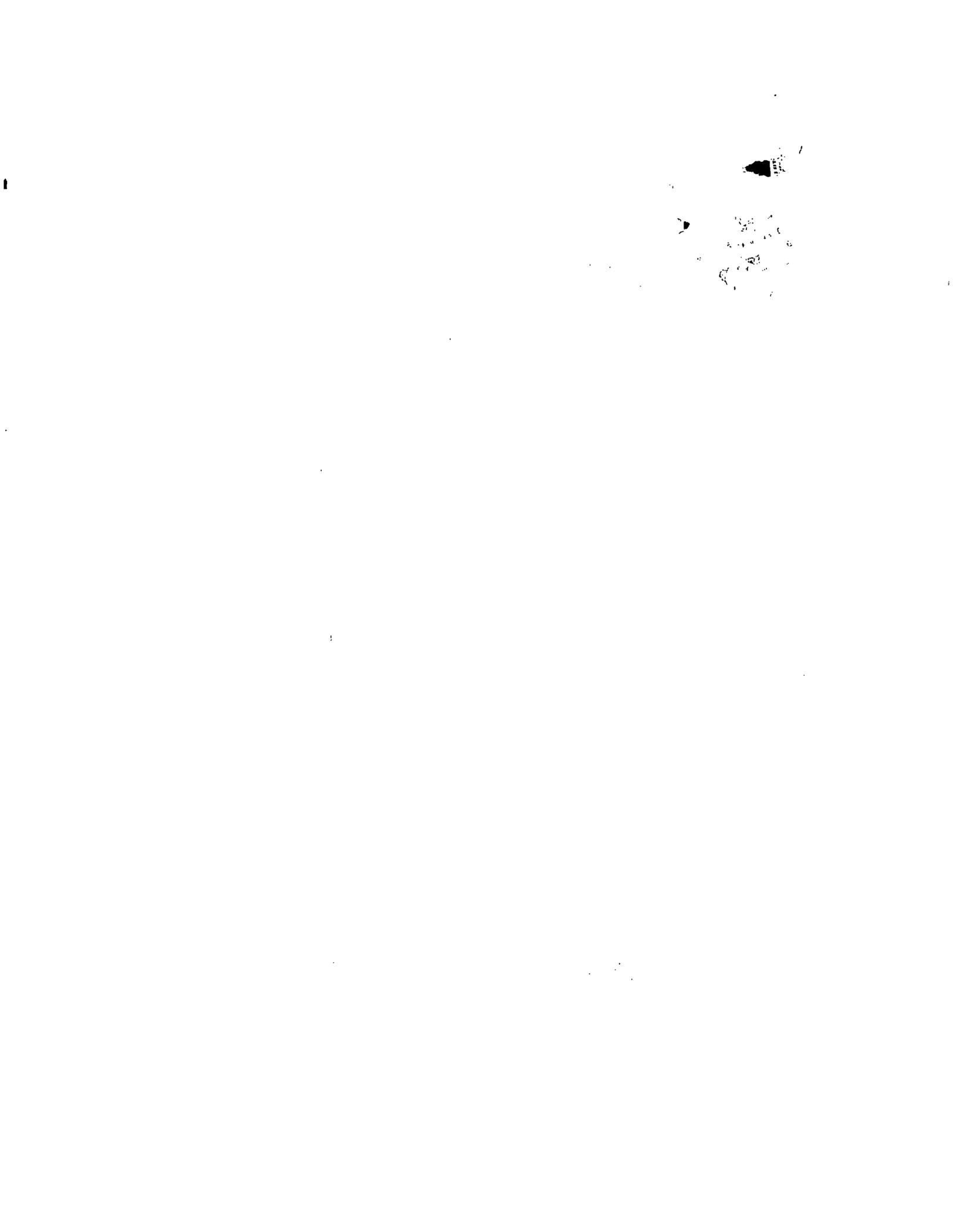
**Date:** 01 - 10 - 2018 **Revised:**





Handwritten notes or scribbles in the upper right corner of the page, including some illegible characters and symbols.





**akerman**

Jack George

Akerman LLP  
71 South Wacker Drive  
46th Floor  
Chicago, IL 60606

T: 312 634 5700  
F: 312 424 1900

January 10, 2018

USPS FIRST CLASS MAIL

Re: Zoning Amendment Application  
2801-63 W. Addison; 3400-3558 N. California; 2800-2964 W. Roscoe;  
3421-25 N. Elston; 3419-25 N. Whipple, Chicago, Illinois

Dear Property Owner:

In accordance with the requirements for an Amendment to the Chicago Zoning Ordinance, please be informed that on or about January 10, 2018, I, the undersigned attorney, will file an Application for a change in zoning from M1-1 Limited Manufacturing/Business Park District and M2-2 Light Industry District to the M2-2 Light Industry District and then to a Business Planned Development on behalf of the Applicant for the property located at 2801-63 West Addison Street; 3400-3558 North California Avenue; 2800-2964 W. Roscoe Street; 3421-25 N. Elston Avenue; 3419-25 N. Whipple Street, Chicago, Illinois and legally described in Exhibit A enclosed herein.

The purpose of the proposed zoning amendment is to redevelop the property with a multi-phased development of Commonwealth Edison Company facilities including a 3-story 68 foot tall office building containing 120,000 square feet, a 40 foot tall warehouse containing 150,000 square feet and two wireless communication towers of 115 feet, fleet vehicle parking structure, employee parking structure, interim surface parking, outdoor storage and future utility infrastructure.

The Applicant and Owner is Commonwealth Edison Company, whose business address is Three Lincoln Centre, Oakbrook Terrace, Illinois, 60181.

I am the attorney for the Applicant. My address is Akerman LLP, 71 South Wacker Drive, 46<sup>th</sup> Floor, Chicago, Illinois 60606. If you should have any questions concerning the Application, please feel free to contact me at (312) 870-8022.

Please note that the Applicant is not seeking to purchase or rezone your property. The Applicant is required by law to send you this notice because you own property located within 250 feet of the proposed development.

Very Truly Your



John J. George

## EXHIBIT A LEGAL DESCRIPTION

LOTS (ALSO CALLED BLOCKS) 1, 2 AND 5 THROUGH 9, AND THE SOUTH 33 FEET OF LOT 4, ALL TAKEN AS A TRACT, IN BICKERDIKE MANOR SUBDIVISION OF THAT PART OF THE SOUTH WEST 1/4 OF SECTION 24, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS, THE PLAT THEREOF RECORDED AT PLAT BOOK 90 PAGE 11, EXCEPT ANY PART THEREOF TAKEN OR USED FOR ROADS, AND ALSO EXCEPT THE FOLLOWING PARCELS: THAT PART OF BLOCK 5 IN BICKERDIKE MANOR SUBDIVISION, DESCRIBED AS BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF WEST ROSCOE STREET AND THE NORTHERLY LINE OF ELSTON AVENUE, THENCE EAST ALONG THE NORTH LINE OF WEST ROSCOE STREET A DISTANCE OF 35 FEET, THENCE NORTH AT RIGHT ANGLES TO THE LAST DESCRIBED COURSE, A DISTANCE OF 185.90 FEET, THENCE WEST AT RIGHT ANGLES TO THE LAST DESCRIBED COURSE AND PARALLEL WITH THE NORTH LINE OF WEST ROSCOE STREET 143.26 FEET, THENCE SOUTHWESTERLY 61.77 FEET TO A POINT ON THE NORTHERLY LINE OF NORTH ELSTON AVENUE, THENCE SOUTHEASTERLY ALONG THE NORTH LINE OF ELSTON AVENUE 210.07 FEET TO THE POINT OF BEGINNING ALL THAT PART OF BLOCK 5 IN BICKERDIKE MANOR SUBDIVISION OF THAT PART OF THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF WEST ROSCOE STREET AND EAST OF JOSEPH BICKERDIKE'S THIRD SUBDIVISION AND OF ELSTON AVENUE, AS SHOWN BY PLAT RECORDED JULY 5, 1905, IN BOOK 90 OF PLATS, ON PAGE 11, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE EAST LINE OF NORTH WHIPPLE STREET, SAID POINT BEING 250 FEET SOUTH OF THE SOUTH LINE OF WEST CORNELIA AVENUE (AS MEASURED ALONG THE SAID EAST LINE OF NORTH WHIPPLE STREET) SAID EAST LINE OF NORTH WHIPPLE STREET BEING 33 FEET EAST OF PARALLEL WITH THE WEST LINE OF SAID BLOCK 5 AND SAID SOUTH LINE OF WEST CORNELIA AVENUE BEING 33 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID BLOCK 5; THENCE SOUTH 0 DEGREES 45 MINUTES 33 SECONDS EAST, ALONG SAID EAST LINE OF NORTH WHIPPLE STREET, 140.19 FEET; THENCE NORTH 75 DEGREES 47 MINUTES 43 SECONDS EAST, 82.17 FEET TO THE NORTHWESTERLY CORNER OF A 6 INCH WIDE CONCRETE RETAINING WALL; THENCE NORTH 88 DEGREES 00 MINUTES 10 SECONDS EAST, 51.92 FEET TO AN ANGLE POINT IN A 3 FOOT WIDE CONCRETE ABUTMENT; THENCE NORTH 26 DEGREES 10 MINUTES 12 SECONDS EAST, 32.63 FEET TO THE WESTERLY CORNER OF A 3 FOOT WIDE CONCRETE ABUTMENT; THENCE NORTH 54 DEGREES 31 MINUTES 50 SECONDS EAST, 51.47 FEET; THENCE NORTH 50 DEGREES 07 MINUTES 52 SECONDS EAST, 64.65 FEET; THENCE NORTH 0 DEGREES 45 MINUTES 33 SECONDS WEST, PARALLEL WITH THE EAST LINE OF NORTH WHIPPLE STREET, 17.56 FEET; THENCE NORTH 89 DEGREES 59 MINUTES 09 SECONDS WEST, PARALLEL WITH SAID SOUTH LINE OF WEST CORNELIA AVENUE, 239.10 FEET, TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS. ALL THAT PART OF BLOCKS 5 AND 6 IN BICKERDIKE MANOR SUBDIVISION OF THAT PART OF THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF WEST ROSCOE STREET AND EAST OF JOSEPH BICKERDIKE'S THIRD SUBDIVISION OF ELSTON AVENUE AS SHOWN BY PLAT RECORDED JULY 5, 1905 IN BOOK 90 OF PLATS ON PAGE 11, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH LINE OF WEST CORNELIA AVENUE; SAID SOUTH LINE BEING 33 FEET SOUTH OF AND PARALLEL TO THE NORTH LINE OF SAID BLOCKS 5 AND 6, SAID POINT BEING 293 FEET EAST OF THE WEST LINE OF BLOCK 5; THENCE EAST ON THE LAST DESCRIBED LINE 82.82 FEET TO A POINT; THENCE SOUTHERLY AND WESTERLY ALONG A CURVED LINE CONVEX TO THE SOUTHEAST HAVING A RADIUS OF 468.77 FEET, SAID CURVED LINE BEING THE EASTERLY AND SOUTHEASTERLY FACE OF AN EXISTING 1 FOOT WIDE CONCRETE WALL 286.77 FEET MORE OR LESS TO ITS INTERSECTION WITH A LINE THAT IS 300.56 FEET SOUTH OF AND PARALLEL TO THE NORTH LINE OF SAID BLOCK 5; THENCE WEST ALONG THE LAST DESCRIBED LINE TO A POINT THAT IS 272.10 FEET EAST OF THE WEST LINE OF SAID BLOCK 5; THENCE NORTH ALONG A LINE PARALLEL WITH THE WEST LINE OF SAID BLOCK 5, 17.56 FEET; THENCE EAST ALONG A LINE PARALLEL WITH THE NORTH LINE OF SAID BLOCK 5, 0.90 FEET; THENCE NORTHEASTERLY ALONG A STRAIGHT LINE 31.79 FEET TO A POINT IN A LINE THAT IS 293 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID BLOCK 5, SAID POINT BEING 258.0 FEET SOUTH OF THE NORTH LINE OF SAID BLOCK 5; THENCE NORTH ALONG A LINE 293.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID BLOCK 5, 225.00 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS. ALL THAT PART OF BLOCK FIVE (5) IN BICKERDIKE MANOR SUBDIVISION OF THAT PART OF THE SOUTHWEST QUARTER (SW1/4) OF SECTION TWENTY FOUR (24), TOWNSHIP FORTY (40) NORTH, RANGE THIRTEEN (13) EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF WEST ROSCOE STREET AND EAST OF JOSEPH BICKERDIKE'S THIRD SUBDIVISION AND OF ELSTON AVENUE, AS SHOWN BY PLAT RECORDED JULY 5, 1905, IN BOOK 90 OF PLATS, AT PAGE 11, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE SOUTH LINE OF WEST CORNELIA AVENUE, (SAID SOUTH LINE BEING A LINE THIRTY THREE (33) FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID BLOCK FIVE (5)); SAID POINT BEING TWO HUNDRED NINETY THREE (293) FEET EAST OF THE WEST LINE OF SAID BLOCK FIVE (5); THENCE SOUTH ALONG A LINE TWO HUNDRED NINETY THREE (293) FEET EAST OF AND PARALLEL TO THE WEST LINE OF SAID BLOCK FIVE (5) FOR A DISTANCE OF TWO HUNDRED TWENTY FIVE (225) FEET; THENCE SOUTHWESTERLY TO A POINT IN A LINE WHICH IS TWO HUNDRED FIFTY (250) FEET SOUTH OF AND PARALLEL TO SAID SOUTH LINE OF WEST CORNELIA AVENUE, SAID POINT BEING TWO HUNDRED SEVENTY THREE (273) FEET EAST OF THE WEST LINE OF SAID BLOCK FIVE (5); THENCE WEST ALONG A LINE TWO HUNDRED FIFTY (250) FEET SOUTH OF AND PARALLEL TO THE SOUTH LINE OF WEST CORNELIA AVENUE FOR A DISTANCE OF FORTY (40) FEET; THENCE NORTH ALONG A LINE WHICH IS TWO HUNDRED THIRTY THREE (233) FEET OF AND PARALLEL TO THE WEST LINE OF SAID BLOCK FIVE (5) FOR A DISTANCE OF TWO HUNDRED FIFTY (250) FEET TO ITS INTERSECTION WITH THE SOUTH LINE OF WEST CORNELIA AVENUE; THENCE EAST ALONG SAID SOUTH LINE TO THE POINT OF BEGINNING, SITUATED IN COOK COUNTY, ILLINOIS; THAT PART OF BLOCKS 3, 4, 6 AND 7 IN BICKERDIKE MANOR SUBDIVISION OF THAT PART OF THE SOUTHWEST 1/4 OF SECTION 24, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, NORTH OF WEST ROSCOE STREET AND EAST OF JOSEPH BICKERDIKE'S THIRD SUBDIVISION AND OF ELSTON AVENUE AS SHOWN ON THE PLAT RECORDED JULY 5, 1905 IN BOOK 90 OF PLATS, AT PAGE 11, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS, TO-WIT: BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF THE SOUTH 33.00 FEET OF SAID BLOCK 3 WITH THE EAST LINE OF SAID BLOCK 3; THENCE SOUTH 01 DEGREES 05 MINUTES 05 SECONDS WEST, ALONG SAID EAST LINE BLOCK 3 AND THE EAST LINE OF SAID BLOCK 7 FOR 102.02 FEET TO A POINT IN A LINE THAT IS 102.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE SOUTH 33.00 FEET OF SAID BLOCKS 3 AND 4; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG SAID PARALLEL LINE FOR 451.58 FEET; THENCE NORTH 45 DEGREES 29 MINUTES 24 SECONDS WEST FOR 98.43 FEET TO THE SOUTH LINE OF SAID BLOCK 4; THENCE NORTH 01 DEGREES 06 MINUTES 52 SECONDS WEST FOR 15.00 FEET TO THE NORTH LINE OF THE SOUTH 15.00 FEET OF SAID BLOCK 4; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG SAID NORTH LINE OF THE SOUTH 15.00 FEET OF BLOCK 4 FOR 110.00 FEET TO THE EAST LINE OF THE WEST 33.00 FEET OF SAID BLOCK 4; THENCE NORTH 01 DEGREES 06 MINUTES 52 SECONDS WEST ALONG SAID EAST LINE OF THE WEST 33.00 FEET OF BLOCK 4 FOR 18.00 FEET TO THE NORTH LINE OF THE SOUTH 33.00 FEET OF SAID BLOCK 4; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID NORTH LINE OF THE SOUTH 33.00 FEET OF SAID BLOCK 3 AND 4 FOR 629.92 FEET TO THE PLACE OF BEGINNING. ALL SITUATED IN THE COUNTY OF COOK, IN THE STATE OF ILLINOIS.

January 10, 2018

Chairman, Committee on Zoning  
Room 304 - City Hall  
Chicago, Illinois 60602

Re: Zoning Amendment Application  
2801-63 W. Addison; 3400-3558 N. California; 2800-2964 W. Roscoe;  
3421-25 N. Elston; 3419-25 N. Whipple, Chicago, Illinois

The undersigned, Chris A. Leach, being first duly sworn on oath, deposes and says the following:

The undersigned certifies that he has complied with the requirements of Sec. 17-13-0107 of the Chicago Zoning Ordinance, by sending written notice to such property owners who appear to be the owners of the property within the subject area not solely owned by the applicant, and to the owners of all property within 250 feet in each direction of the lot line of the subject property, exclusive of public roads, streets, alleys and other public ways, or a total distance limited to 400 feet. Said "written notice" was sent by First Class U.S. Mail, no more than 30 days before filing the application.

The undersigned certifies that the notice contained the address of the property sought to be rezoned; a statement of the intended use of the property; the name and address of the applicant; the name and address of the owner; and a statement that the applicant intends to file the application for a change in zoning on approximately January 10, 2018.

The undersigned certifies that the applicant has made a bona fide effort to determine the addresses of the parties to be notified under Section 17-13-0107 of the Chicago Zoning Ordinance, and that the accompanying list of names and addresses of surrounding property owners within 250 feet of the subject site is a complete list containing the names and addresses of the people required to be served.



Chris A. Leach

Subscribed and sworn to  
before me this 10th day of  
January, 2018

  
Notary Public

OFFICIAL SEAL  
DEBRA A. FLANAGAN  
NOTARY PUBLIC, STATE OF ILLINOIS  
My Commission Expires 08/13/2020

**LIST OF ADJOINING OWNERS  
ZONING AMENDMENT APPLICATION**

APPLICANT: Commonwealth Edison Company

ADDRESS: 2801-63 W. Addison; 3400-3558 N. California; 2800-2964 W.  
Roscoe; 3421-25 N. Elston & 3419-25 N. Whipple,  
Chicago, Illinois



6. If the applicant is a legal entity (Corporation, LLC, Partnership, etc.) please provide the names of all owners as disclosed on the Economic Disclosure Statements.

Exelon Energy Delivery Company, LLC and Exelon Corporation  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. On what date did the owner acquire legal title to the subject property? Approximately 1900

8. Has the present owner previously rezoned this property? If yes, when?

No  
\_\_\_\_\_

9. Present Zoning District M1-1 & M2-2 Proposed Zoning District M2-2 then to BPD

10. Lot size in square feet (or dimensions) 1,342,067 sf

11. Current Use of the property Office, storage, utility infrastructure, and accessory parking

12. Reason for rezoning the property to redevelop the property with a multi-phased development of Commonwealth Edison's facilities.

13. Describe the proposed use of the property after the rezoning. Indicate the number of dwelling units; number of parking spaces; approximate square footage of any commercial space; and height of the proposed building. (BE SPECIFIC)  
to redevelop the property with a 3-story 68 foot tall office building containing 120,000 sf, a 44 foot tall warehouse containing 150,000 sf, ComEd vehicle parking structure, employee parking structure, storage, interim surface parking, freestanding (towers) wireless communications facilities and future utility infrastructure.

14. The Affordable Requirements Ordinance (ARO) requires on-site affordable housing units and/or a financial contribution for residential housing projects with ten or more units that receive a zoning change which, among other triggers, increases the allowable floor area, or, for existing Planned Developments, increases the number of units (see attached fact sheet or visit [www.cityofchicago.org/ARO](http://www.cityofchicago.org/ARO) for more information). Is this project subject to the ARO?

YES \_\_\_\_\_ NO XX

COUNTY OF COOK  
STATE OF ILLINOIS

Kendall C. Hodge, being first duly sworn on oath, states that all of the above statements and the statements contained in the documents submitted herewith are true and correct.

Commonwealth Edison Company

*Kendall C. Hodge*  
Signature of Applicant

Subscribed and Sworn to before me this  
19<sup>th</sup> day of OCTOBER, 2017.

*John E. O'Brien*  
Notary Public



**For Office Use Only**

Date of Introduction: \_\_\_\_\_

File Number: \_\_\_\_\_

Ward: \_\_\_\_\_

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Exelon Energy Delivery Company, LLC

**Check ONE of the following three boxes:**

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity currently holding, or anticipated to hold within six months after City action on the contract, transaction or other undertaking to which this EDS pertains (referred to below as the "Matter"), a direct or indirect interest in excess of 7.5% in the Applicant. State the Applicant's legal name: Commonwealth Edison Company

OR

3.  a legal entity with a direct or indirect right of control of the Applicant (see Section II(B)(1))  
State the legal name of the entity in which the Disclosing Party holds a right of control:

B. Business address of the Disclosing Party: 10 S. Dearborn St., 49th Floor  
Chicago, IL 60603

C. Telephone: c/o 312-394-3504 Fax: \_\_\_\_\_ Email: angel.perez@comed.com

D. Name of contact person: Angelita Perez

E. Federal Employer Identification No. (if you have one): \_\_\_\_\_

F. Brief description of the Matter to which this EDS pertains. (Include project number and location of property, if applicable):

Zoning Application for 2801-63 W. Addison; 3400-3558 N. California; 2800-2964 W. Roscoe; 3421-25 N. Elston; 3419-25 N. Whipple

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- Person
- Publicly registered business corporation
- Privately held business corporation
- Sole proprietorship
- General partnership
- Limited partnership
- Trust
- Limited liability company
- Limited liability partnership
- Joint venture
- Not-for-profit corporation  
(Is the not-for-profit corporation also a 501(c)(3))?  
 Yes       No
- Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Delaware

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes
- No
- Organized in Illinois

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles, if applicable, of: (i) all executive officers and all directors of the entity; (ii) **for not-for-profit corporations**, all members, if any, which are legal entities (if there are no such members, write "no members which are legal entities"); (iii) **for trusts, estates or other similar entities**, the trustee, executor, administrator, or similarly situated party; (iv) **for general or limited partnerships, limited liability companies, limited liability partnerships or joint ventures**, each general partner, managing member, manager or any other person or legal entity that directly or indirectly controls the day-to-day management of the Applicant.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
------	-------

See Exhibit A attached -- Management Officials

Exelon Corporation - Sole Member

2. Please provide the following information concerning each person or legal entity having a direct or indirect, current or prospective (i.e. within 6 months after City action) beneficial interest (including ownership) in excess of 7.5% of the Applicant. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a

**Exelon Energy Delivery Company, LLC**

People controlling day-to-day management of Disclosing Party

Kathleen Abbott -- Assistant Treasurer  
Sandra Brummitt, Assistant Vice President, Taxes  
Brian Buck, Assistant Secretary  
Kevin Garrido, Assistant Treasurer  
Elisabeth J. Graham, Assistant Secretary  
Francis Idehen, Treasurer  
Robert A. Kleczynski, Assistant Vice President, Taxes  
Thomas D. Terry, Jr., Vice President, Taxes  
Bruce G. Wilson, Secretary

limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None."

**NOTE:** Each legal entity listed below may be required to submit an EDS on its own behalf.

Name	Business Address	Percentage Interest in the Applicant
Please see attached sheet.		

**SECTION III -- INCOME OR COMPENSATION TO, OR OWNERSHIP BY, CITY ELECTED OFFICIALS**

Has the Disclosing Party provided any income or compensation to any City elected official during the 12-month period preceding the date of this EDS?  Yes  No

Does the Disclosing Party reasonably expect to provide any income or compensation to any City elected official during the 12-month period following the date of this EDS?  Yes  No

If "yes" to either of the above, please identify below the name(s) of such City elected official(s) and describe such income or compensation:  
see attached statement

Does any City elected official or, to the best of the Disclosing Party's knowledge after reasonable inquiry, any City elected official's spouse or domestic partner, have a financial interest (as defined in Chapter 2-156 of the Municipal Code of Chicago ("MCC")) in the Disclosing Party?  
 Yes  No

If "yes," please identify below the name(s) of such City elected official(s) and/or spouse(s)/domestic partner(s) and describe the financial interest(s).

**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist (as defined in MCC Chapter 2-156), accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll. If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

**Section II-B-2 -- Legal entities with direct interest in the Disclosing Party**

Exelon Corporation is the 100% owner of Exelon Energy Delivery Company, LLC. This publicly traded corporation does not have any persons or entities holding an interest of greater than 7.5%. This entity is regulated by and required to make periodic filings with the federal Securities and Exchange Commission under the Public Utility Holding Company Act and falls under exception 1(i) of the Rules Regarding Economic Disclosure Statement and Affidavit most recently dated December 17, 2015. The Form 10-K for calendar year 2016 was filed on February 13, 2017. The Form 10-Q for the first quarter 2017 was filed on May 3, 2017. The Form 10-Q for second quarter 2017 was filed on August 2, 2017. All Forms have been provided.

**Section III - Additional Information – Exelon Energy Delivery Company, LLC**

The Disclosing Party and/or its affiliates may have engaged the law firm of Klafter & Burke for legal representation during the 12-month period preceding the date hereof and may do so during the 12-month period following the date hereof. Alderman Edward M. Burke is a principal of Klafter & Burke.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
--	------------------	--	---

---



---

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under MCC Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes     No     No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes     No

**B. FURTHER CERTIFICATIONS**

1. [This paragraph 1 applies only if the Matter is a contract being handled by the City's Department of Procurement Services.] In the 5-year period preceding the date of this EDS, neither the Disclosing Party nor any Affiliated Entity [see definition in (5) below] has engaged, in connection with the performance of any public contract, the services of an integrity monitor, independent private sector inspector general, or integrity compliance consultant (i.e., an individual or entity with legal, auditing, investigative, or other similar skills, designated by a public agency to help the agency monitor the activity of specified agency vendors as well as help the vendors reform their business practices so they can be considered for agency contracts in the future, or continue with a contract in progress).

2. The Disclosing Party and its Affiliated Entities are not delinquent in the payment of any fine, fee, tax or other source of indebtedness owed to the City of Chicago, including, but not limited to, water and sewer charges, license fees, parking tickets, property taxes and sales taxes, nor is the Disclosing Party delinquent in the payment of any tax administered by the Illinois Department of Revenue.

3. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II(B)(1) of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, during the 5 years before the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in subparagraph (b) above;

d. have not, during the 5 years before the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, during the 5 years before the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

4. The Disclosing Party understands and shall comply with the applicable requirements of MCC Chapters 2-56 (Inspector General) and 2-156 (Governmental Ethics).

5. Certifications (5), (6) and (7) concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity). Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity. With respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor, nor any Agents have, during the 5 years before the date of this EDS, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the 5 years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
  - b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
  - c. made an admission of such conduct described in subparagraph (a) or (b) above that is a matter of record, but have not been prosecuted for such conduct; or
  - d. violated the provisions referenced in MCC Subsection 2-92-320(a)(4)(Contracts Requiring a Base Wage); (a)(5)(Debarment Regulations); or (a)(6)(Minimum Wage Ordinance).
6. Neither the Disclosing Party, nor any Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.
7. Neither the Disclosing Party nor any Affiliated Entity is listed on a Sanctions List maintained by the United States Department of Commerce, State, or Treasury, or any successor federal agency.
8. [FOR APPLICANT ONLY] (i) Neither the Applicant nor any "controlling person" [see MCC Chapter 1-23, Article I for applicability and defined terms] of the Applicant is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any "sister agency"; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If MCC Chapter 1-23, Article I applies to the Applicant, that Article's permanent compliance timeframe supersedes 5-year compliance timeframes in this Section V.
9. [FOR APPLICANT ONLY] The Applicant and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed as having an active exclusion by the U.S. EPA on the federal System for Award Management ("SAM").
10. [FOR APPLICANT ONLY] The Applicant will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in Certifications (2) and (9) above and will not, without the prior written consent of the City, use any such

contractor/subcontractor that does not provide such certifications or that the Applicant has reason to believe has not provided or cannot provide truthful certifications.

11. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

see attached explanation  
\_\_\_\_\_  
\_\_\_\_\_

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

12. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

none -- see attached explanation  
\_\_\_\_\_  
\_\_\_\_\_

13. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$25 per recipient, or (iii) a political contribution otherwise duly reported as required by law (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

none -- see attached explanation  
\_\_\_\_\_  
\_\_\_\_\_

**C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION**

1. The Disclosing Party certifies that the Disclosing Party (check one)  
[ ] is [x] is not

a "financial institution" as defined in MCC Section 2-32-455(b).

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in MCC Chapter 2-32. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in MCC Chapter 2-32. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in MCC Section 2-32-455(b)) is a predatory lender within the meaning of MCC Chapter 2-32, explain here (attach additional pages if necessary):

---

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING FINANCIAL INTEREST IN CITY BUSINESS**

Any words or terms defined in MCC Chapter 2-156 have the same meanings if used in this Part D.

1. In accordance with MCC Section 2-156-110: To the best of the Disclosing Party's knowledge after reasonable inquiry, does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes                       No

NOTE: If you checked "Yes" to Item D(1), proceed to Items D(2) and D(3). If you checked "No" to Item D(1), skip Items D(2) and D(3) and proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes                       No

3. If you checked "Yes" to Item D(1), provide the names and business addresses of the City officials or employees having such financial interest and identify the nature of the financial interest:

Name	Business Address	Nature of Financial Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either (1) or (2) below. If the Disclosing Party checks (2), the Disclosing Party must disclose below or in an attachment to this EDS all information required by (2). Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

  X   1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

       2. The Disclosing Party verifies that, as a result of conducting the search in step (1) above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

---

---

---

**SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS**

**NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.**

(This matter is not federally funded.)

**A. CERTIFICATION REGARDING LOBBYING**

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995, as amended, who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

---

---

---

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995, as amended, have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in paragraph A(1) above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee

of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A(1) and A(2) above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities," as that term is defined in the Lobbying Disclosure Act of 1995, as amended.

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A(1) through A(4) above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

#### B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes

No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes

No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes

No

Reports not required

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes

No

If you checked "No" to question (1) or (2) above, please provide an explanation:

## SECTION VII -- FURTHER ACKNOWLEDGMENTS AND CERTIFICATION

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics Ordinance, MCC Chapter 2-156, imposes certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of this ordinance and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with this ordinance.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other City transactions. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided in, and appended to, this EDS may be made publicly available on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to MCC Chapter 1-23, Article I (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by MCC Chapter 1-23 and Section 2-154-020.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS, and Appendices A and B (if applicable), on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS, and Appendices A and B (if applicable), are true, accurate and complete as of the date furnished to the City.

Exelon Energy Delivery Company, LLC  
(Print or type exact legal name of Disclosing Party)

By: James Sykora  
(Sign here)

James Sykora  
(Print or type name of person signing)

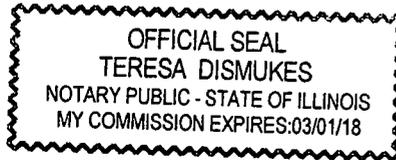
Manager, Real Estate  
(Print or type title of person signing)

Signed and sworn to before me on (date) 31st of October 2017

at DuPage County, Illinois (state).

Teresa Dismukes  
Notary Public

Commission expires: 03/01/18



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS  
AND DEPARTMENT HEADS**

**This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5%. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.**

Under MCC Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5% ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes                       No (see attached comment)

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

---

---

---

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX B**

**BUILDING CODE SCOFFLAW/PROBLEM LANDLORD CERTIFICATION**

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5% (an "Owner"). It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

1. Pursuant to MCC Section 2-154-010, is the Applicant or any Owner identified as a building code scofflaw or problem landlord pursuant to MCC Section 2-92-416?

Yes                       No

2. If the Applicant is a legal entity publicly traded on any exchange, is any officer or director of the Applicant identified as a building code scofflaw or problem landlord pursuant to MCC Section 2-92-416?

Yes                       No                       The Applicant is not publicly traded on any exchange.

3. If yes to (1) or (2) above, please identify below the name of each person or legal entity identified as a building code scofflaw or problem landlord and the address of each building or buildings to which the pertinent code violations apply.

---

---

---

### **Response to question 11 -- Comments on Section V-B Further Certifications**

V-B-1: This certification does not apply to the Disclosing Party as the Matter is not a contract being handled by the City's Department of Procurement Services.

V-B-2: The Disclosing Party, to the best of its knowledge, certifies that it is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, except for taxes that are being contested in good faith in applicable legal proceedings (whether judicial or administrative). To the best of the knowledge of the Disclosing Party, neither the Disclosing Party nor its Affiliated Entities are delinquent in paying any fine, fee, tax or other source of indebtedness owed to the City of Chicago ("Debts") except for Debts which are being contested in good faith in applicable legal proceedings.

Representatives and agents of the Disclosing Party and its Affiliated Entities meet with City representatives or other receive information from the City on a monthly or other regular basis to identify outstanding Debts duly payable by the Disclosing Party and its Affiliated Entities and any such Debts are settled accordingly.

V-B-3-a: Disclosing Party certifies to this Statement to the best of its knowledge.

V-B-3-b, c and e and V-B-5-a, b and c: The Disclosing Party is routinely involved in litigation in various state and federal courts. With nearly 30,000 full-time equivalent employees, such a large business presence and a wide variety of activities subject to complex and extensive regulatory frameworks at the local, state, and federal levels, it is not possible for the Disclosing Party and its Affiliated Entities to perform due diligence across the full panoply of associates in preparing the Disclosing Party's response and it is possible that allegations or findings of civil or criminal liability, as well as the termination of one or more transactions for various reasons may have arisen and pertain to or be the subject of matters covered in these certifications. The Disclosing Party (including with respect to those persons identified in Section II(B)(1) who are employed by the Disclosing Party) makes all required disclosures in the Forms 10-K, 10-Q and 8-K (filed by its parent corporation, the Exelon Corporation, with the Securities and Exchange Commission) and in the Annual Report of its parent corporation as posted on its website. These filings include disclosures of investigations and litigation as required by the securities regulatory organizations and federal law, and are publicly available (a copy of the "Environmental Remediation Matters" or "Environmental Issues" and "Litigation and Regulatory Matters" portions of the Forms 10-K and 10-Q filed by the Disclosing Party's parent corporation for calendar year 2016 and the first and second quarters of 2017 are attached). The Disclosing Party cannot confirm or deny the existence of any other non-public investigation conducted by any governmental agency unless required to do so by law. With respect to those persons identified in Section II(B)(1) who are not employed by the Disclosing Party (such as independent directors), such persons are involved in a wide variety of business, charitable, social and other activities and transactions independent of their activities on behalf of the Disclosing Party and the Disclosing Party cannot further certify. As for any unrelated Contractor, Affiliated Entity or such Contractors or Agents of either ("Unrelated Entities"), however, the Disclosing Party certifies that with respect to the Matter it has not and will not knowingly hire, without disclosure to the City of Chicago, any Unrelated Entities who are unable to certify to such statements and the Disclosing Party cannot further certify as to the Unrelated Entities. It is the Disclosing Party's policy to diligently investigate any

allegations relevant to the requested certifications, promptly resolve any allegations or findings and at all times comply in good faith with all applicable legal requirements.

V-B-3-d: The Disclosing Party performed due diligence within the Governmental and External Affairs department of the Applicant ("Governmental Group") to determine whether any Governmental Group employees were aware of any public transactions (federal, state or local) having been terminated for cause or default within the last five years, and none of such employees were aware of any such transactions.

V-B-5 and 6: Please note that our responses are on behalf of the Disclosing Party and its Affiliated Entities only and not on behalf of any Contractors.

V-B-5-d, 6 and 7: Disclosing Party certifies to this Statement to the best of its knowledge.

**Comment on Section V-B-12 Certification**

V-B-12: To the best of Disclosing Party's knowledge after reasonable inquiry, none of the persons identified in Section II(B)(1) of this EDS were employees, or elected or appointed officials of the City of Chicago during the period of October 16, 2016 through October 16, 2017. Disclosing Party is unaware of any additional employee having been a City of Chicago employee or elected or appointed official during the period of October 16, 2016 through October 16, 2017, but did not, for its new hires during the period previously described, collect data on immediately preceding employment by the City of Chicago or status of a new hire as an elected or appointed official of the City of Chicago.

**Comment on Section V-B-13 Certification**

V-B-13: The Disclosing Party certifies to the best of its knowledge that there have been no gifts within the prior 12 months to an employee, or elected or appointed official of the City of Chicago.

**Comment on Appendix A -- Familiar Relationships**

To the best of Disclosing Party's knowledge after reasonable inquiry, none of the Disclosing Party's "Applicable Parties" or any Spouses or Domestic Partners thereof currently have a "familial relationship" with an elected city official or department head.

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

settlement agreement providing for the reimbursement of SNF storage costs incurred through December 31, 2016. Generation expects the terms for each of the settlement agreements to be extended during 2017 for another three years to cover SNF storage costs through December 31, 2019. Generation, including CENG, submits annual reimbursement requests to the DOE for costs associated with the storage of SNF. In all cases, reimbursement requests are made only after costs are incurred and only for costs resulting from DOE delays in accepting the SNF.

Under the settlement agreement, Generation has received cumulative cash reimbursements for costs incurred as follows

	Total	Net (a)
Cumulative cash reimbursements (b)	\$1,038	\$887

(a) Total after considering amounts due to co-owners of certain nuclear stations and to the former owner of Oyster Creek

(b) Includes \$53 million and \$49 million, respectively, for amounts received since April 1, 2014, for costs incurred under the CENG DOE Settlement Agreements prior to the consolidation of CENG.

As of December 31, 2016, and 2015, the amount of SNF storage costs for which reimbursement has been or will be requested from the DOE under the DOE settlement agreements is as follows:

	December 31, 2016	December 31, 2015
DOE receivable—current (a)	\$ 109	\$ 76
DOE receivable—noncurrent (b)	15	14
Amounts owed to co-owners (a)(c)	(13)	(5)

(a) Recorded in Accounts receivable, other

(b) Recorded in Deferred debits and other assets, other

(c) Non-CENG amounts owed to co-owners are recorded in Accounts receivable, other. CENG amounts owed to co-owners are recorded in Accounts payable. Represents amounts owed to the co-owners of Peach Bottom, Quad Cities, and Nine Mile Point Unit 2 generating facilities

The Standard Contracts with the DOE also required the payment to the DOE of a one-time fee applicable to nuclear generation through April 6, 1983. The fee related to the former PECO units has been paid. Pursuant to the Standard Contracts, ComEd previously elected to defer payment of the one-time fee of \$277 million for its units (which are now part of Generation), with interest to the date of payment, until just prior to the first delivery of SNF to the DOE. As of December 31, 2016, the unfunded SNF liability for the one-time fee with interest was \$1,024 million. Interest accrues at the 13-week Treasury Rate. The 13-week Treasury Rate in effect, for calculation of the interest accrual at December 31, 2016, was 0.355%. The liabilities for SNF disposal costs, including the one-time fee, were transferred to Generation as part of Exelon's 2001 corporate restructuring. The outstanding one-time fee obligations for the Nine Mile Point, Ginna, Oyster Creek and TMI units remain with the former owners. The Clinton and Calvert Cliffs units have no outstanding obligation. See Note 12—Fair Value of Financial Assets and Liabilities for additional information.

**Environmental Remediation Matters**

**General.** The Registrants' operations have in the past, and may in the future, require substantial expenditures in order to comply with environmental laws. Additionally, under Federal and state environmental laws, the Registrants are generally liable for the costs of remediating environmental contamination of property now or formerly owned by them and of property contaminated by hazardous substances generated by them. The Registrants own or lease a number of real estate parcels,

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

including parcels on which their operations or the operations of others may have resulted in contamination by substances that are considered hazardous under environmental laws. In addition, the Registrants are currently involved in a number of proceedings relating to sites where hazardous substances have been deposited and may be subject to additional proceedings in the future.

ComEd, PECO, BGE, and DPL have identified sites where former MGP activities have or may have resulted in actual site contamination. For almost all of these sites, there are additional PRPs that may share responsibility for the ultimate remediation of each location.

- ComEd has identified 42 sites, 18 of which have been remediated and approved by the Illinois EPA or the U.S. EPA and 24 that are currently under some degree of active study and/or remediation. ComEd expects the majority of the remediation at these sites to continue through at least 2021.
- PECO has identified 26 sites, 17 of which have been remediated in accordance with applicable PA DEP regulatory requirements. The remaining 9 sites are currently under some degree of active study and/or remediation. PECO expects the majority of the remediation at these sites to continue through at least 2022.
- BGE has identified 13 former gas manufacturing or purification sites that it currently owns or owned at one time through a predecessor's acquisition. Two gas manufacturing sites require some level of remediation and ongoing monitoring under the direction of the MDE. The required costs at these 2 sites are not considered material. An investigation of an additional gas purification site was completed during the first quarter of 2015 at the direction of the MDE. For more information, see the discussion of the Riverside site below.
- DPL has identified 2 sites, all of which the remediation has been completed and approved by the MDE or the Delaware Department of Natural Resources and Environmental Control.

ComEd, pursuant to an ICC order, and PECO, pursuant to settlements of natural gas distribution rate cases with the PAPUC, are currently recovering environmental remediation costs of former MGP facility sites through customer rates. See Note 3—Regulatory Matters for additional information regarding the associated regulatory assets. BGE is authorized to recover, and is currently recovering, environmental costs for the remediation of the former MGP facility sites from customers; however, while BGE does not have a rider for MGP clean-up costs, BGE has historically received recovery of actual clean-up costs in distribution rates. DPL has historically received recovery of actual clean-up costs in distribution rates.

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

As of December 31, 2016 and 2015, the Registrants had accrued the following undiscounted amounts for environmental liabilities in Other current liabilities and Other deferred credits and other liabilities within their respective Consolidated Balance Sheets:

<b>December 31, 2016</b>	<b>Total environmental investigation and remediation reserve</b>	<b>Portion of total related to MGP investigation and remediation (a)</b>
Exelon	\$ 429	\$ 325
Generation	72	—
ComEd	292	291
PECO	33	31
BGE (a)	2	2
PHI	30	1
Peppco	27	—
DPL	2	1
ACE	1	—

<b>December 31, 2015</b>	<b>Total environmental investigation and remediation reserve</b>	<b>Portion of total related to MGP investigation and remediation</b>
Exelon	\$ 369	\$ 301
Generation	63	—
ComEd	266	264
PECO	37	35
BGE	3	2
PHI (Predecessor)	33	1
Peppco	24	—
DPL	3	1
ACE	1	—

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

During the third quarter of 2016, ComEd and PECO completed an annual study of their future estimated MGP remediation requirements. The results of the study resulted in a \$7 million and \$2 million increase to environmental liabilities and related regulatory assets for ComEd and PECO, respectively.

The Registrants cannot reasonably estimate whether they will incur other significant liabilities for additional investigation and remediation costs at these or additional sites identified by the Registrants, environmental agencies or others, or whether such costs will be recoverable from third parties, including customers.

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

**Water Quality**

**Benning Road Site NPDES Permit Limit Exceedances** . Pepco holds an NPDES permit issued by EPA with a July 19, 2009 effective date, which authorizes discharges from the Benning Road service facility. The 2009 permit for the first time imposed numerical limits on the allowable concentration of certain metals in storm water discharged from the site into the Anacostia River. The permit contemplated that Pepco would meet these limits over time through the use of best management practices (BMPs). The BMPs were effective in reducing metal concentrations in storm water discharges, but were not sufficient to meet all of the numerical limits for all metals.

The 2009 permit remains in effect pending EPA's action on the Pepco renewal application, including resolution of the stormwater compliance issues. On October 30, 2015, EPA filed a Clean Water Act civil enforcement action against Pepco in federal district court, and in March 2016 the court granted a motion by the Anacostia Riverkeeper to intervene in this case as a plaintiff along with EPA. Since 2009 Pepco has installed runoff mitigation measures and implemented new operating procedures to comply with regulations. In January 2017, the parties agreed to a settlement in the form of a Consent Decree whereby Pepco will pay a civil penalty in the amount of \$1.6 million, continue the BMPs to manage stormwater, construct a new stormwater treatment system, and make certain other capital improvements to the stormwater management system. The Consent Decree has been lodged with the Court and will be subject to a 30-day public comment period. It is expected that the Court will approve the Consent Decree in the first quarter of 2017. Pepco has established appropriate reserves for the liabilities under the Consent Agreement, which is included in the table above.

**Solid and Hazardous Waste**

**Cotter Corporation**. The EPA has advised Cotter Corporation (Cotter), a former ComEd subsidiary, that it is potentially liable in connection with radiological contamination at a site known as the West Lake Landfill in Missouri. In 2000, ComEd sold Cotter to an unaffiliated third-party. As part of the sale, ComEd agreed to indemnify Cotter for any liability arising in connection with the West Lake Landfill. In connection with Exelon's 2001 corporate restructuring, this responsibility to indemnify Cotter was transferred to Generation. On May 29, 2008, the EPA issued a Record of Decision approving the remediation option submitted by Cotter and the two other PRPs that required additional landfill cover. The current estimated cost of the landfill cover remediation for the site is approximately \$90 million including escalation, which will be allocated among all PRPs. Generation has accrued what it believes to be an adequate amount to cover its anticipated share of such liability, which is included in the table above. By letter dated January 11, 2010, the EPA requested that the PRPs perform a supplemental feasibility study for a remediation alternative that would involve complete excavation of the radiological contamination. On September 30, 2011, the PRPs submitted the supplemental feasibility study to the EPA for review. Since June 2012, the EPA has requested that the PRPs perform a series of additional analyses and groundwater and soil sampling as part of the supplemental feasibility study. The final supplemental feasibility study was completed in December of 2016 and will enable the EPA to propose a remedy for public comment. While the EPA has not yet formally announced a change in the schedule, the PRPs believe that the EPA announcement of the proposed remedy will take place in the third quarter of 2017 at the earliest. Thereafter, the EPA will select a final remedy and enter into a Consent Decree with the PRPs to effectuate the remedy. Recent investigation has identified a number of other parties who may be PRPs and could be liable to contribute to the final remedy. Further investigation is underway. Generation believes that a partial excavation remedy is reasonably possible, and the partial excavation costs, inclusive of a landfill cover, could range from approximately \$225 million to \$650 million; such costs would likely be shared by the final group of identified PRPs.

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

Generation believes the likelihood that the EPA would require a complete excavation remedy is remote. The cost of a partial or complete excavation could have a material, unfavorable impact on Generation's and Exelon's future results of operations and cash flows

During December 2015, the EPA took two actions related to the West Lake Landfill designed to abate what it termed as imminent and dangerous conditions at the landfill. The first involved installation by the PRPs of a non-combustible surface cover to protect against surface fires in areas where radiological materials are believed to have been disposed. Generation has accrued what it believes to be an adequate amount to cover its anticipated liability for this interim action. The second action involved EPA's public statement that it will require the PRPs to construct a barrier wall in an adjacent landfill to prevent a subsurface fire from spreading to those areas of the West Lake Landfill where radiological materials are believed to have been disposed. At this time, EPA has not provided sufficient details related to the basis for and the requirements and design of a barrier wall to enable Generation to determine the likelihood such a remedy will ultimately be implemented, assess the degree to which Generation may have liability as a potentially responsible party, or develop a reasonable estimate of the potential incremental costs. It is reasonably possible, however, that resolution of this matter could have a material, unfavorable impact on Generation's and Exelon's future results of operations and cash flows. Finally, one of the other PRP's, the landfill owner and operator of the adjacent landfill, has indicated that it will be making a contribution claim against Cotter for costs that it has incurred to prevent the subsurface fire from spreading to those areas of the West Lake Landfill where radiological materials are believed to have been disposed. At this time, Generation and Exelon do not possess sufficient information to assess this claim and are therefore unable to determine the impact on their future results of operations and cash flows.

On February 2, 2016, the U.S. Senate passed a bill to transfer remediation authority over the West Lake Landfill from the EPA to the U.S. Army Corps of Engineers, under the Formerly Utilized Sites Remedial Action Program (FUSRAP). Such legislation would become final upon passage in the U.S. House of Representatives and the signature of the President, and be subject to annual funding appropriations in the U.S. Budget. The legislation has not passed in the House. Remediation under FUSRAP would not alter the liability of the PRPs, but could delay the determination of a final remedy and its implementation.

On August 8, 2011, Cotter was notified by the DOJ that Cotter is considered a PRP with respect to the government's clean-up costs for contamination attributable to low level radioactive residues at a former storage and reprocessing facility named Latty Avenue near St. Louis, Missouri. The Latty Avenue site is included in ComEd's indemnification responsibilities discussed above as part of the sale of Cotter. The radioactive residues had been generated initially in connection with the processing of uranium ores as part of the U.S. government's Manhattan Project. Cotter purchased the residues in 1969 for initial processing at the Latty Avenue facility for the subsequent extraction of uranium and metals. In 1976, the NRC found that the Latty Avenue site had radiation levels exceeding NRC criteria for decontamination of land areas. Latty Avenue was investigated and remediated by the United States Army Corps of Engineers pursuant to funding under the FUSRAP. The DOJ has not yet formally advised the PRPs of the amount that it is seeking, but it is believed to be approximately \$90 million. The DOJ and the PRPs agreed to toll the statute of limitations until August 2017 so that settlement discussions could proceed. Based on Generation's preliminary review, it appears probable that Generation has liability to Cotter under the indemnification agreement and has established an appropriate accrual for this liability, which is included in the table above.

Commencing in February 2012, a number of lawsuits have been filed in the U.S. District Court for the Eastern District of Missouri. Among the defendants were Exelon, Generation and ComEd, all of

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

which were subsequently dismissed from the case, as well as Cotter, which remains a defendant. The suits allege that individuals living in the North St. Louis area developed some form of cancer or other serious illness due to Cotter's negligent or reckless conduct in processing, transporting, storing, handling and/or disposing of radioactive materials. Plaintiffs are asserting public liability claims under the Price-Anderson Act. Their state law claims for negligence, strict liability, emotional distress, and medical monitoring have been dismissed. The complaints do not contain specific damage claims. In the event of a finding of liability against Cotter, it is reasonably possible that Exelon would be financially responsible due to its indemnification responsibilities of Cotter described above. The court has dismissed a number of lawsuits, and is expected to dismiss additional lawsuits based on a recent ruling. Pre-trial motions and discovery are proceeding in the remaining cases and a pre-trial scheduling order has been filed with the court. At this stage of the litigation, Generation and ComEd cannot estimate a range of loss, if any.

**68th Street Dump.** In 1999, the U.S. EPA proposed to add the 68th Street Dump in Baltimore, Maryland to the Superfund National Priorities List, and notified BGE and 19 others that they are PRPs at the site. In connection with BGE's 2000 corporate restructuring the responsibility for this liability was transferred to Constellation and as a result of the 2012 Exelon and CEG merger is now Generation's responsibility. In March 2004, the PRPs formed the 68th Street Coalition and entered into consent order negotiations with the U.S. EPA to investigate clean-up options for the site under the Superfund Alternative Sites Program. In May 2006, a settlement among the U.S. EPA and the PRPs with respect to investigation of the site became effective. The settlement requires the PRPs, over the course of several years, to identify contamination at the site and recommend clean-up options. The PRPs submitted their investigation of the range of clean-up options in the first quarter of 2011. Although the investigation and options provided to the U.S. EPA are still subject to U.S. EPA review and selection of a remedy, the range of estimated clean-up costs to be allocated among all of the PRPs is in the range of \$50 million to \$64 million. On September 30, 2013, U.S. EPA issued the Record of Decision identifying its preferred remedial alternative for the site. The estimated cost for the alternative chosen by U.S. EPA is consistent with the PRPs' estimated range of costs noted above. Based on Generation's preliminary review, it appears probable that Generation has liability and has established an appropriate accrual for its share of the estimated clean-up costs.

**Rossville Ash Site.** The Rossville Ash Site is a 32-acre property located in Rosedale, Baltimore County, Maryland, which was used for the placement of fly ash from 1983-2007. The property is owned by Constellation Power Source Generation, LLC (CPSG), a wholly-owned subsidiary of Generation. In 2008, CPSG investigated and remediated the property by entering it into the Maryland Voluntary Cleanup Program (VCP) to address any historic environmental concerns and ready the site for appropriate future redevelopment. The site was accepted into the program in 2010 and is currently going through the process to remediate the site and receive closure from MDE. Exelon currently estimates the cost to close the site to be approximately \$4 million, which has been fully reserved as of December 31, 2016 and is included in the table above.

**Sauer Dump.** On May 30, 2012, BGE was notified by the U.S. EPA that it is considered a PRP at the Sauer Dump Superfund site in Dundalk, Maryland. The U.S. EPA offered BGE and three other PRPs the opportunity to conduct an environmental investigation and present cleanup recommendations at the site. In addition, the U.S. EPA is seeking recovery from the PRPs of \$1.7 million for past cleanup and investigation costs at the site. On March 11, 2013, BGE and three other PRPs signed an Administrative Settlement Agreement and Order on Consent with the U.S. EPA which requires the PRPs to conduct a remedial investigation and feasibility study at the site to determine what, if any, are the appropriate and recommended cleanup activities for the site. The ultimate outcome of this proceeding is uncertain. Since the U.S. EPA has not selected a cleanup

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

remedy and the allocation of the cleanup costs among the PRPs has not been determined, an estimate of the range of BGE's reasonably possible loss, if any, cannot be determined. It is possible, however, that resolution of this matter could have a material, unfavorable impact on Exelon's and BGE's future results of operations and cash flows

**Riverside**. In 2013, the MDE, at the request of EPA, conducted a site inspection and limited environmental sampling of certain portions of the 170 acre Riverside property owned by BGE. The site consists of several different parcels with different current and historical uses. The sampling included soil and groundwater samples for a number of potential environmental contaminants. The sampling confirmed the existence of contaminants consistent with the known historical uses of the various portions of the site. In March 2014, the MDE requested that BGE conduct an investigation which included a site-wide investigation of soils, sediment, groundwater, and surface water to complement the MDE sampling. The field investigation was completed in January 2015, and a final report was provided to MDE on June 2, 2015. On November 3, 2015, MDE provided BGE with its comments and recommendations on the report which require BGE to conduct further investigation and sampling at the site to better delineate the nature and extent of historic contamination, including off-site sediment and soil sampling. MDE did not request any interim remediation at this time and BGE anticipates completing the additional work requested by the end of the first quarter of 2017. BGE has established what it believes is an appropriate reserve based upon the investigation to date. The established reserve is included in the table above. As the investigation and potential remediation proceed, it is possible that resolution of this matter could have a material, unfavorable impact on Exelon's and BGE's future results of operations and cash flows.

**Benning Road Site**. In September 2010, PHI received a letter from EPA identifying the Benning Road site as one of six land-based sites potentially contributing to contamination of the lower Anacostia River. A portion of the site was formerly the location of a Pepco Energy Services electric generating facility. That generating facility was deactivated in June 2012 and plant structure demolition was completed in July 2015. The remaining portion of the site consists of a Pepco transmission and distribution service center that remains in operation. In December 2011, the U.S. District Court for the District of Columbia approved a consent decree entered into by Pepco and Pepco Energy Services with the DOEE, which requires Pepco and Pepco Energy Services to conduct a RI/FS for the Benning Road site and an approximately 10 to 15 acre portion of the adjacent Anacostia River. The RI/FS will form the basis for the remedial actions for the Benning Road site and for the Anacostia River sediment associated with the site. The consent decree does not obligate Pepco or Pepco Energy Services to pay for or perform any remediation work, but it is anticipated that DOEE will look to Pepco and Pepco Energy Services to assume responsibility for cleanup of any conditions in the river that are determined to be attributable to past activities at the Benning Road site.

The initial RI field work began in January 2013 and was completed in December 2014. In April 2015, Pepco and Pepco Energy Services submitted a draft RI Report to DOEE. After review, DOEE determined that additional field investigation and data analysis was required to complete the RI process (much of which was beyond the scope of the original DOEE-approved RI work plan). In the meantime, Pepco and Pepco Energy Services revised the draft RI Report to address DOEE's comments and DOEE released the draft RI Report for public review in February 2016. Once the additional RI work has been completed, Pepco and Pepco Energy Services will issue a draft "final" RI report for review and comment by DOEE and the public. Pepco and Pepco Energy Services will then proceed to develop an FS to evaluate possible remedial alternatives for submission to DOEE.

Upon DOEE's approval of the final remedial investigation and feasibility study Reports, Pepco and Pepco Energy Services will have satisfied their obligations under the consent decree. At that point,

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

DOEE will prepare a Proposed Plan regarding further response actions. After considering public comment on the Proposed Plan, DOEE will issue a Record of Decision identifying any further response actions determined to be necessary.

PHI, Pepco and Pepco Energy Services have determined that a loss associated with this matter for PHI, Pepco and Pepco Energy Services is probable and an estimated liability for this issue has been accrued, which is included in the table above. As the remedial investigation proceeds and potential remedies are identified, it is possible that additional reserves could be established in amounts that could be material to PHI, Pepco and Pepco Energy Services. Pursuant to Exelon's March 2016 acquisition of PHI, Pepco Energy Services was transferred to Generation. The ultimate resolution of this matter is currently not expected to have any significant financial impact on Generation.

**Anacostia River Tidal Reach.** Contemporaneous with the Benning RI/FS being performed by Pepco and Pepco Energy Services, DOEE and certain federal agencies have been conducting a separate RI/FS focused on the entire tidal reach of the Anacostia River extending from just north of the Maryland-D.C. boundary line to the confluence of the Anacostia and Potomac Rivers. In March 2016, DOEE released a draft of the river-wide RI Report for public review and comment. The river-wide RI incorporated the results of the river sampling performed by Pepco and Pepco Energy Services as part of the Benning RI/FS, as well as similar sampling efforts conducted by owners of other sites adjacent to this segment of the river and supplemental river sampling conducted by DOEE's contractor. DOEE asked Pepco, along with parties responsible for other sites along the river, to participate in a "Consultative Working Group" to provide input into the process for future remedial actions addressing the entire tidal reach of the river and to ensure proper coordination with the other river cleanup efforts currently underway, including cleanup of the river segment adjacent to the Benning Road site resulting from the Benning Road RI/FS. Pepco responded that it will participate in the Consultative Working Group but its participation is not an acceptance of any financial responsibility beyond the work that will be performed at the Benning Road site described above. DOEE has advised the Consultative Working Group that the federal and DOEE authorities are conducting phase 2 of a remedial investigation. DOEE has targeted June 2018 as the date for remedy selection for clean-up of sediments in this section of the river. The Consultative Working Group and the other possible PRPs have provided input into the proposed clean-up process and schedule. At this time, it is not possible to predict the extent of Pepco's participation in the river-wide RI/FS process, and Pepco cannot estimate the reasonably possible range of loss for response costs beyond those associated with the Benning RI/FS component of the river-wide initiative. It is possible, however, that resolution of this matter could have a material, unfavorable impact on Exelon's and Pepco's future results of operations and cash flows.

**Conectiv Energy Wholesale Power Generation Sites.** In July 2010, PHI sold the wholesale power generation business of Conectiv Energy Holdings, Inc. and substantially all of its subsidiaries (Conectiv Energy) to Calpine Corporation (Calpine). Under New Jersey's Industrial Site Recovery Act (ISRA), the transfer of ownership triggered an obligation on the part of Conectiv Energy to remediate any environmental contamination at each of the nine Conectiv Energy generating facility sites located in New Jersey. Under the terms of the sale, Calpine has assumed responsibility for performing the ISRA-required remediation and for the payment of all related ISRA compliance costs up to \$10 million. PHI is obligated to indemnify Calpine for any ISRA compliance remediation costs in excess of \$10 million. According to PHI's estimates, the costs of ISRA-required remediation activities at the nine generating facility sites located in New Jersey are in the range of approximately \$7 million to \$18 million, and PHI has established an appropriate accrual for its share of the estimated clean-up costs, which is included in the table above. Pursuant to Exelon's March 2016 acquisition of PHI, Conectiv Energy was transferred to Generation, however, the responsibility to indemnify Calpine remained at PHI. The ultimate resolution of this matter is currently not expected to have any significant financial impact on PHI.

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

**Rock Creek Mineral Oil Release.** In late August 2015, a Pepco underground transmission line in the District of Columbia suffered a breach, resulting in the release of non-toxic mineral oil surrounding the transmission line into the surrounding soil, and a small amount reached Rock Creek through a storm drain. Pepco notified regulatory authorities, and Pepco and its spill response contractors placed booms in Rock Creek, blocked the storm drain to prevent the release of mineral oil into the creek and commenced remediation of soil around the transmission line and the Rock Creek shoreline. Pepco estimates that approximately 6,100 gallons of mineral oil were released and that its remediation efforts recovered approximately 80% of the amount released. Pepco's remediation efforts are ongoing under the direction of the DOEE, including the requirements of a February 29, 2016 compliance order which requires Pepco to prepare a full incident investigation report and prepare a removal action work plan to remove all impacted soils in the vicinity of the storm drain outfall, and in collaboration with the National Park Service, the Smithsonian Institution/National Zoo and EPA. Pepco's investigation presently indicates that the damage to Pepco's facilities occurred prior to the release of mineral oil when third-party excavators struck the Pepco underground transmission line while installing cable for another utility.

To the extent recovery is available against any party who contributed to this loss, PHI and Pepco will pursue such action. Exelon, PHI and Pepco continue to investigate the cause of the incident, the parties involved, and legal responsibility under District of Columbia law, but do not believe that the remediation costs to resolve this matter will have a material adverse effect on their respective financial condition, results of operations or cash flows.

**Brandywine Fly Ash Disposal Site.** In February 2013, Pepco received a letter from the MDE requesting that Pepco investigate the extent of waste on a Pepco right-of-way that traverses the Brandywine fly ash disposal site in Brandywine, Prince George's County, Maryland, owned by NRG Energy, Inc. (as successor to GenOn MD Ash Management, LLC) (NRG). In July 2013, while reserving its rights and related defenses under a 2000 agreement covering the sale of this site, Pepco indicated its willingness to investigate the extent of, and propose an appropriate closure plan to address, ash on the right-of-way. Pepco submitted a schedule for development of a closure plan to MDE on September 30, 2013 and, by letter dated October 18, 2013, MDE approved the schedule.

Exelon, PHI and Pepco have determined that a loss associated with this matter is probable and have estimated that the costs for implementation of a closure plan and cap on the site are in the range of approximately \$3 million to \$6 million, for which an appropriate reserve has been established and is included in the table above. Exelon, PHI and Pepco believe that the costs incurred in this matter will be recoverable from NRG under the 2000 sale agreement.

**Litigation and Regulatory Matters**

***Asbestos Personal Injury Claims (Exelon, Generation, ComEd, PECO and BGE).***

**Exelon and Generation.** Generation maintains a reserve for claims associated with asbestos-related personal injury actions in certain facilities that are currently owned by Generation or were previously owned by ComEd and PECO. The reserve is recorded on an undiscounted basis and excludes the estimated legal costs associated with handling these matters, which could be material.

At December 31, 2016 and 2015, Generation had reserved approximately \$83 million and \$95 million, respectively, in total for asbestos-related bodily injury claims. As of December 31, 2016, approximately \$22 million of this amount related to 230 open claims presented to Generation, while the

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

remaining \$61 million of the reserve is for estimated future asbestos-related bodily injury claims anticipated to arise through 2050, based on actuarial assumptions and analyses, which are updated on an annual basis. On a quarterly basis, Generation monitors actual experience against the number of forecasted claims to be received and expected claim payments and evaluates whether an adjustment to the reserve is necessary.

On November 22, 2013, the Supreme Court of Pennsylvania held that the Pennsylvania Workers Compensation Act does not apply to an employee's disability or death resulting from occupational disease, such as diseases related to asbestos exposure, which manifests more than 300 weeks after the employee's last employment-based exposure, and that therefore the exclusivity provision of the Act does not preclude such employee from suing his or her employer in court. The Supreme Court's ruling reverses previous rulings by the Pennsylvania Superior Court precluding current and former employees from suing their employers in court, despite the fact that the same employee was not eligible for workers compensation benefits for diseases that manifest more than 300 weeks after the employee's last employment-based exposure to asbestos. Since the Pennsylvania Supreme Court's ruling in November 2013, Exelon, Generation, and PECO have experienced an increase in asbestos-related personal injury claims brought by former PECO employees, all of which have been reserved against on a claim by claim basis. Those additional claims are taken into account in projecting estimated future asbestos-related bodily injury claims.

On November 4, 2015, the Illinois Supreme Court found that the provisions of the Illinois' Workers' Compensation Act and the Workers' Occupational Diseases Act barred an employee from bringing a direct civil action against an employer for latent diseases, including asbestos-related diseases that fall outside the 25-year limit of the statute of repose. The Illinois Supreme Court's ruling reversed previous rulings by the Illinois Court of Appeals, which initially ruled that the Illinois Worker's Compensation law should not apply in cases where the diagnosis of an asbestos related disease occurred after the 25-year maximum time period for filing a Worker's Compensation claim. As a result of this ruling, Exelon, Generation, and ComEd have not recorded an increase to the asbestos-related bodily injury liability as of December 31, 2016.

There is a reasonable possibility that Exelon may have additional exposure to estimated future asbestos-related bodily injury claims in excess of the amount accrued and the increases could have a material adverse effect on Exelon's, Generation's and PECO's future results of operations and cash flows.

**BGE.** Since 1993, BGE and certain Constellation (now Generation) subsidiaries have been involved in several actions concerning asbestos. The actions are based upon the theory of "premises liability," alleging that BGE and Generation knew of and exposed individuals to an asbestos hazard. In addition to BGE and Generation, numerous other parties are defendants in these cases.

To date, most asbestos claims which have been resolved relating to BGE and certain Constellation subsidiaries have been dismissed or resolved without any payment and a small minority of these cases has been resolved for amounts that were not material to BGE or Generation's financial results. Presently, there are an immaterial number of asbestos cases pending against BGE and certain Constellation subsidiaries.

***Continuous Power Interruption (Exelon and ComEd)***

Section 16-125 of the Illinois Public Utilities Act provides that in the event an electric utility, such as ComEd, experiences a continuous power interruption of four hours or more that affects (in ComEd's

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

case) more than 30,000 customers, the utility may be liable for actual damages suffered by customers as a result of the interruption and may be responsible for reimbursement of local governmental emergency and contingency expenses incurred in connection with the interruption. Recovery of consequential damages is barred. The affected utility may seek from the ICC a waiver of these liabilities when the utility can show that the cause of the interruption was unpreventable damage due to weather events or conditions, customer tampering, or certain other causes enumerated in the law. As of December 31, 2016 and 2015, ComEd did not have any material liabilities recorded for these storm events.

***Fund Transfer Restrictions (Exelon, Generation, ComEd, PECO, BGE, PEPCO, DPL and ACE)***

Under applicable law, Exelon may borrow or receive an extension of credit from its subsidiaries. Under the terms of Exelon's intercompany money pool agreement, Exelon can lend to, but not borrow from the money pool.

The Federal Power Act declares it to be unlawful for any officer or director of any public utility "to participate in the making or paying of any dividends of such public utility from any funds properly included in capital account." What constitutes "funds properly included in capital account" is undefined in the Federal Power Act or the related regulations; however, FERC has consistently interpreted the provision to allow dividends to be paid as long as (1) the source of the dividends is clearly disclosed; (2) the dividend is not excessive, and (3) there is no self-dealing on the part of corporate officials. While these restrictions may limit the absolute amount of dividends that a particular subsidiary may pay, Exelon does not believe these limitations are materially limiting because, under these limitations, the subsidiaries are allowed to pay dividends sufficient to meet Exelon's actual cash needs

Under Illinois law, ComEd may not pay any dividend on its stock unless, among other things, "[its] earnings and earned surplus are sufficient to declare and pay same after provision is made for reasonable and proper reserves," or unless it has specific authorization from the ICC. ComEd has also agreed in connection with financings arranged through ComEd Financing III that it will not declare dividends on any shares of its capital stock in the event that: (1) it exercises its right to extend the interest payment periods on the subordinated debt securities issued to ComEd Financing III; (2) it defaults on its guarantee of the payment of distributions on the preferred trust securities of ComEd Financing III, or (3) an event of default occurs under the Indenture under which the subordinated debt securities are issued

PECO's Articles of Incorporation prohibit payment of any dividend on, or other distribution to the holders of, common stock if, after giving effect thereto, the capital of PECO represented by its common stock together with its retained earnings is, in the aggregate, less than the involuntary liquidating value of its then outstanding preferred securities. On May 1, 2013, PECO redeemed all outstanding preferred securities. As a result, the above ratio calculation is no longer applicable. Additionally, PECO may not declare dividends on any shares of its capital stock in the event that: (1) it exercises its right to extend the interest payment periods on the subordinated debentures, which were issued to PEC L.P. or PECO Trust IV; (2) it defaults on its guarantee of the payment of distributions on the Series D Preferred Securities of PEC L.P. or the preferred trust securities of PECO Trust IV; or (3) an event of default occurs under the Indenture under which the subordinated debentures are issued.

BGE is subject to certain dividend restrictions established by the MDPSC. First, BGE was prohibited from paying a dividend on its common shares through the end of 2014. Second, BGE is prohibited from paying a dividend on its common shares if (a) after the dividend payment, BGE's equity

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

ratio would be below 48% as calculated pursuant to the MDPSC's ratemaking precedents or (b) BGE's senior unsecured credit rating is rated by two of the three major credit rating agencies below investment grade. Finally, BGE must notify the MDPSC that it intends to declare a dividend on its common shares at least 30 days before such a dividend is paid. There are no other limitations on BGE paying common stock dividends unless BGE elects to defer interest payments on the 6.20% Deferrable Interest Subordinated Debentures due 2043, and any deferred interest remains unpaid.

PEPCO is subject to certain dividend restrictions established by settlements approved in Maryland and the District of Columbia. PEPCO is prohibited from paying a dividend on its common shares if (a) after the dividend payment, PEPCO's equity ratio would be 48% as equity levels are calculated under the ratemaking precedents of the commissions and the Board or (b) Pepco's senior unsecured credit rating is rated by one of the three major credit rating agencies below investment grade.

DPL is subject to certain dividend restrictions established by settlements approved in Delaware and Maryland. DPL is prohibited from paying a dividend on its common shares if (a) after the dividend payment, DPL's equity ratio would be 48% as equity levels are calculated under the ratemaking precedents of the commissions and the Board or (b) DPL's senior unsecured credit rating is rated by one of the three major credit rating agencies below investment grade.

ACE is subject to certain dividend restrictions established by settlements approved in New Jersey. ACE is prohibited from paying a dividend on its common shares if (a) after the dividend payment, ACE's equity ratio would be 48% as equity levels are calculated under the ratemaking precedents of the commissions and the Board or (b) ACE's senior unsecured credit rating is rated by one of the three major credit rating agencies below investment grade.

***Baltimore City Franchise Taxes (BGE)***

The City of Baltimore claims that BGE has maintained electric facilities in the City's public right-of-ways for over one hundred years without the proper franchise rights from the City. BGE has reviewed the City's claim and believes that it lacks merit. BGE has not recorded an accrual for payment of franchise fees for past periods as a range of loss, if any, cannot be reasonably estimated at this time. Franchise fees assessed in future periods may be material to BGE's results of operations and cash flows.

***Conduit Lease with City of Baltimore (Exelon and BGE)***

On September 23, 2015, the Baltimore City Board of Estimates approved an increase in annual rental fees for access to the Baltimore City underground conduit system effective November 1, 2015, from \$12 million to \$42 million, subject to an annual increase thereafter based on the Consumer Price Index. BGE subsequently entered into litigation with the City regarding the amount of and basis for establishing the conduit fee. On November 30, 2016, the Baltimore City Board of Estimates approved a settlement agreement entered into between BGE and the City to resolve the disputes and pending litigation related to BGE's use of and payment for the underground conduit system. As a result of the settlement, the parties have entered into a six-year lease that reduces the annual expense to \$25 million in the first three years and caps the annual expense in the last three years to not more than \$29 million. BGE recorded a credit to Operating and maintenance expense in the fourth quarter of approximately \$28 million for the reversal of the previously higher fees accrued in the current year as well as the settlement of prior year disputed fee true-up amounts.

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

**Deere Wind Energy Assets (Exelon and Generation)**

In 2013, Deere & Company ("Deere") filed a lawsuit against Generation in the Delaware Superior Court relating to Generation's acquisition of the Deere wind energy assets. Under the purchase agreement, Deere was entitled to receive earn-out payments if certain specific wind projects already under development in Michigan met certain development and construction milestones following the sale. In the complaint, Deere seeks to recover a \$14 million earn-out payment associated with one such project, which was never completed. Generation has filed counterclaims against Deere for breach of contract, with a right of recoupment and set off. On June 2, 2016, the Delaware Superior Court entered summary judgment in favor of Deere. On January 17, 2017, Generation filed an appeal with the Supreme Court of Delaware. Generation has accrued an amount to cover its potential liability.

**General (All Registrants)**

The Registrants are involved in various other litigation matters that are being defended and handled in the ordinary course of business. The assessment of whether a loss is probable or a reasonable possibility, and whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events. The Registrants maintain accruals for such losses that are probable of being incurred and subject to reasonable estimation. Management is sometimes unable to estimate an amount or range of reasonably possible loss, particularly where (1) the damages sought are indeterminate, (2) the proceedings are in the early stages, or (3) the matters involve novel or unsettled legal theories. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution of such matters, including a possible eventual loss.

**Income Taxes (Exelon, Generation, ComEd, PECO and BGE)**

See Note 15—Income Taxes for information regarding the Registrants' income tax refund claims and certain tax positions, including the 1999 sale of fossil generating assets.

**25. Supplemental Financial Information (All Registrants)**

**Supplemental Statement of Operations Information**

The following tables provide additional information about the Registrants' Consolidated Statements of Operations and Comprehensive Income for the years ended December 31, 2016, 2015 and 2014.

For the year ended December 31, 2016	Exelon	Generation	ComEd	PECO	BGE	Pepco	DPL	ACE	Successor	Predecessor
									March 24, 2016 to December 31, 2016	January 1, 2016 to March 23, 2016
Taxes other than income									PHI	PHI
Utility (a)	\$ 753	\$ 122	\$ 242	\$ 136	\$ 85	\$ 312	\$ 18	\$ —	\$ 253	\$ 78
Property	483	246	27	13	123	53	31	3	73	18
Payroll	226	117	28	15	17	8	5	3	23	8
Other	114	21	(4)	—	4	4	1	1	5	1
Total taxes other than income	<u>\$ 1,576</u>	<u>\$ 506</u>	<u>\$ 293</u>	<u>\$ 164</u>	<u>\$ 229</u>	<u>\$ 377</u>	<u>\$ 55</u>	<u>\$ 7</u>	<u>\$ 354</u>	<u>\$ 105</u>

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

from insurers or the nuclear industry, could also be borne by Generation. Any such losses could have a material adverse effect on Exelon's and Generation's financial condition, results of operations and liquidity.

**Environmental Issues (All Registrants)**

**General.** The Registrants' operations have in the past, and may in the future, require substantial expenditures in order to comply with environmental laws. Additionally, under Federal and state environmental laws, the Registrants are generally liable for the costs of remediating environmental contamination of property now or formerly owned by them and of property contaminated by hazardous substances generated by them. The Registrants own or lease a number of real estate parcels, including parcels on which their operations or the operations of others may have resulted in contamination by substances that are considered hazardous under environmental laws. In addition, the Registrants are currently involved in a number of proceedings relating to sites where hazardous substances have been deposited and may be subject to additional proceedings in the future.

ComEd, PECO, BGE and DPL have identified sites where former MGP activities have or may have resulted in actual site contamination. For almost all of these sites, there are additional PRPs that may share responsibility for the ultimate remediation of each location.

- ComEd has identified 42 sites, 18 of which the remediation has been completed and approved by the Illinois EPA or the U.S. EPA and 24 that are currently under some degree of active study and/or remediation. ComEd expects the majority of the remediation at these sites to continue through at least 2021.
- PECO has identified 26 sites, 17 of which have been remediated in accordance with applicable PA DEP regulatory requirements. The remaining 9 sites are currently under some degree of active study and/or remediation. PECO expects the majority of the remediation at these sites to continue through at least 2022.
- BGE has identified 13 former gas manufacturing or purification sites that it currently owns or owned at one time through a predecessor's acquisition. Two gas manufacturing sites require some level of remediation and ongoing monitoring under the direction of the MDE. The required costs at these two sites are not considered material. The first phase of an investigation of an additional gas purification site (Riverside) was completed during the first quarter of 2015 at the direction of the MDE and investigations continue under MDE's direction. For more information, see the discussion of the Riverside site below.
- DPL has identified 2 sites, all of which the remediation has been completed and approved by the MDE or the Delaware Department of Natural Resources and Environmental Control.

ComEd, pursuant to an ICC order, and PECO, pursuant to settlements of natural gas distribution rate cases with the PAPUC, are currently recovering environmental remediation costs of former MGP facility sites through customer rates. ComEd and PECO have recorded regulatory assets for the recovery of these costs. See Note 5 —Regulatory Matters for additional information regarding the associated regulatory assets. BGE is authorized to recover, and is currently recovering, environmental costs for the remediation of the former MGP facility sites from customers, however, while BGE does not have a rider for MGP clean-up costs, BGE has historically received recovery of actual clean-up costs in distribution rates. DPL has historically received recovery of actual clean-up costs in distribution rates.

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

As of Three Months Ended March 31, 2017 and December 31, 2016, the Registrants had accrued the following undiscounted amounts for environmental liabilities in Other current liabilities and Other deferred credits and other liabilities within their respective Consolidated Balance Sheets:

<u>March 31, 2017</u>	<u>Total Environmental Investigation and Remediation Reserve</u>	<u>Portion of Total Related to MGP Investigation and Remediation</u>
Exelon	\$ 425	\$ 319
Generation	71	—
ComEd	288	286
PECO	33	31
BGE	4	2
PHI (Successor)	29	—
Pepco	26	—
DPL	2	—
ACE	1	—
<u>December 31, 2016</u>	<u>Total Environmental Investigation and Remediation Reserve</u>	<u>Portion of Total Related to MGP Investigation and Remediation</u>
Exelon	\$ 429	\$ 325
Generation	72	—
ComEd	292	291
PECO	33	31
BGE	2	2
PHI (Successor)	30	1
Pepco	27	—
DPL	2	1
ACE	1	—

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

The Registrants cannot reasonably estimate whether they will incur other significant liabilities for additional investigation and remediation costs at these or additional sites identified by the Registrants, environmental agencies or others, or whether such costs will be recoverable from third parties, including customers.

#### *Water Quality*

**Benning Road Site NPDES Permit Limit Exceedances** Pepco holds an NPDES permit issued by EPA with a July 19, 2009 effective date, which authorizes discharges from the Benning Road service facility. The 2009 permit for the first time imposed numerical limits on the allowable concentration of certain metals in storm water discharged from the site into the Anacostia River. The permit contemplated that Pepco would meet these limits over time through the use of best management practices (BMPs). The BMPs were effective in reducing metal concentrations in storm water discharges, but were not sufficient to meet all of the numerical limits for all metals.

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

The 2009 permit remains in effect pending EPA's action on the Pepco renewal application, including resolution of the stormwater compliance issues. On October 30, 2015, EPA filed a Clean Water Act civil enforcement action against Pepco in federal district court, and in March 2016 the court granted a motion by the Anacostia Riverkeeper to intervene in this case as a plaintiff along with EPA. Since 2009 Pepco has installed runoff mitigation measures and implemented new operating procedures to comply with regulations. In January 2017, the parties agreed to a settlement in the form of a Consent Decree whereby Pepco will pay a civil penalty in the amount of \$1.6 million, continue the BMPs to manage stormwater, construct a new stormwater treatment system, and make certain other capital improvements to the stormwater management system. The Consent Decree has been lodged with the Court and has been subject to a 30-day public comment period. Upon completion of its review of public comments, it is expected that the Court will approve the Consent Decree in the second quarter of 2017. Pepco has established appropriate accruals for the liabilities under the Consent Agreement, which is included in the table above.

***Solid and Hazardous Waste***

***Cotter Corporation.*** The EPA has advised Cotter Corporation (Cotter), a former ComEd subsidiary, that it is potentially liable in connection with radiological contamination at a site known as the West Lake Landfill in Missouri. In 2000, ComEd sold Cotter to an unaffiliated third-party. As part of the sale, ComEd agreed to indemnify Cotter for any liability arising in connection with the West Lake Landfill. In connection with Exelon's 2001 corporate restructuring, this responsibility to indemnify Cotter was transferred to Generation. On May 29, 2008, the EPA issued a Record of Decision approving the remediation option submitted by Cotter and the two other PRPs that required additional landfill cover. The current estimated cost of the landfill cover remediation for the site is approximately \$90 million, including escalation, which will be allocated among all PRPs. Generation has accrued what it believes to be an adequate amount to cover its anticipated share of such liability, which is included in the table above. By letter dated January 11, 2010, the EPA requested that the PRPs perform a supplemental feasibility study for a remediation alternative that would involve complete excavation of the radiological contamination. On September 30, 2011, the PRPs submitted the supplemental feasibility study to the EPA for review. Since June 2012, the EPA has requested that the PRPs perform a series of additional analyses and groundwater and soil sampling as part of the supplemental feasibility study, that were completed in December 2016. While the EPA has not yet announced a schedule for selection of the final remedy, the PRPs believe that the EPA announcement of the proposed remedy will not take place until the end of 2017, or possibly the first quarter of 2018. Thereafter, the EPA will select a final remedy and seek to enter into a Consent Decree with the PRPs to effectuate the remedy. Recent investigation has identified a number of other parties who may be PRPs and could be liable to contribute to the final remedy. Further investigation is underway. Generation believes that a partial excavation remedy is reasonably possible, and the partial excavation costs, inclusive of a landfill cover, could range from approximately \$225 million to \$650 million; such costs would likely be shared by the final group of identified PRPs. Generation believes the likelihood that the EPA would require a complete excavation remedy is remote. The cost of a partial or complete excavation could have a material, unfavorable impact on Generation's and Exelon's future results of operations and cash flows.

During December 2015, the EPA took two actions related to the West Lake Landfill designed to abate what it termed as imminent and dangerous conditions at the landfill. The first involved installation by the PRPs of a non-combustible surface cover to protect against surface fires in areas where radiological materials are believed to have been disposed. Generation has accrued what it believes to be an adequate amount to cover its anticipated liability for this interim action. The second action involved EPA's public statement that it will require the PRPs to construct a barrier wall in an adjacent landfill to prevent a subsurface fire from spreading to those areas of the West Lake Landfill where radiological materials are believed to have been disposed. At this time, EPA has not provided sufficient details related to the basis for and the requirements and design of a barrier wall to enable Generation to determine the likelihood such a remedy will ultimately be implemented, assess the degree to which

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

Generation may have liability as a potentially responsible party, or develop a reasonable estimate of the potential incremental costs. It is reasonably possible, however, that resolution of this matter could have a material, unfavorable impact on Generation's and Exelon's future results of operations and cash flows. Finally, one of the other PRPs, the landfill owner and operator of the adjacent landfill, has indicated that it will be making a contribution claim against Cotter for costs that it has incurred to prevent the subsurface fire from spreading to those areas of the West Lake Landfill where radiological materials are believed to have been disposed. At this time, Generation and Exelon do not possess sufficient information to assess this claim and are therefore unable to determine the impact on their future results of operations and cash flows.

On February 2, 2016, the U.S. Senate passed a bill to transfer remediation authority over the West Lake Landfill from the EPA to the U.S. Army Corps of Engineers, under the Formerly Utilized Sites Remedial Action Program (FUSRAP). The legislation was not passed in the U.S. House of Representatives, and would therefore require reintroduction in the Senate for consideration in the current session of Congress. Should such proposed legislation ultimately become law, it would be subject to annual funding appropriations in the U.S. Budget. Remediation under FUSRAP would not alter the liability of the PRPs, but would likely delay the determination of a final remedy and its implementation.

On August 8, 2011, Cotter was notified by the DOJ that Cotter is considered a PRP with respect to the government's clean-up costs for contamination attributable to low level radioactive residues at a former storage and reprocessing facility named Latty Avenue near St. Louis, Missouri. The Latty Avenue site is included in ComEd's indemnification responsibilities discussed above as part of the sale of Cotter. The radioactive residues had been generated initially in connection with the processing of uranium ores as part of the U.S. government's Manhattan Project. Cotter purchased the residues in 1969 for initial processing at the Latty Avenue facility for the subsequent extraction of uranium and metals. In 1976, the NRC found that the Latty Avenue site had radiation levels exceeding NRC criteria for decontamination of land areas. Latty Avenue was investigated and remediated by the United States Army Corps of Engineers pursuant to funding under the FUSRAP. The DOJ has not yet formally advised the PRPs of the amount that it is seeking, but it is believed to be approximately \$90 million. The DOJ and the PRPs agreed to toll the statute of limitations until August 2017 so that settlement discussions could proceed. Based on Generation's preliminary review, it appears probable that Generation has liability to Cotter under the indemnification agreement and has established an appropriate accrual for this liability, which is included in the table above.

Commencing in February 2012, a number of lawsuits have been filed in the U.S. District Court for the Eastern District of Missouri. Among the defendants were Exelon, Generation and ComEd, all of which were subsequently dismissed from the case, as well as Cotter, which remains a defendant. The suits allege that individuals living in the North St. Louis area developed some form of cancer or other serious illness due to Cotter's negligent or reckless conduct in processing, transporting, storing, handling and/or disposing of radioactive materials. Plaintiffs are asserting public liability claims under the Price-Anderson Act. Their state law claims for negligence, strict liability, emotional distress, and medical monitoring have been dismissed. The complaints do not contain specific damage claims. In the event of a finding of liability against Cotter, it is reasonably possible that Exelon would be financially responsible due to its indemnification responsibilities of Cotter described above. The court has dismissed a number of lawsuits, and is expected to dismiss additional lawsuits based on a recent ruling. Pre-trial motions and discovery are proceeding in the remaining cases and a pre-trial scheduling order has been filed with the court. At this stage of the litigation, Generation and ComEd cannot estimate a range of loss, if any.

**68<sup>th</sup> Street Dump.** In 1999, the EPA proposed to add the 68th Street Dump in Baltimore, Maryland to the Superfund National Priorities List, and notified BGE and 19 others that they are PRPs at the site. In connection with BGE's 2000 corporate restructuring the responsibility for this liability was transferred to Constellation and

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

as a result of the 2012 Exelon and CEG merger is now Generation's responsibility. In March 2004, the PRPs formed the 68th Street Coalition and entered into consent order negotiations with the U.S. EPA to investigate clean-up options for the site under the Superfund Alternative Sites Program. In May 2006, a settlement among the U.S. EPA and the PRPs with respect to investigation of the site became effective. The settlement requires the PRPs, over the course of several years, to identify contamination at the site and recommend clean-up options. The PRPs submitted their investigation of the range of clean-up options in the first quarter of 2011. Although the investigation and options provided to the U.S. EPA are still subject to U.S. EPA review and selection of a remedy, the range of estimated clean-up costs to be allocated among all of the PRPs is in the range of \$50 million to \$64 million. On September 30, 2013, EPA issued the Record of Decision identifying its preferred remedial alternative for the site. The estimated cost for the alternative chosen by EPA is consistent with the PRPs estimated range of costs noted above. Based on Generation's preliminary review, it appears probable that Generation has liability and has established an appropriate accrual for its share of the estimated clean-up costs which is included in the table above.

**Rossville Ash Site.** The Rossville Ash Site is a 32-acre property located in Rosedale, Baltimore County, Maryland, which was used for the placement of fly ash from 1983-2007. The property is owned by Constellation Power Source Generation, LLC (CPSG), a wholly-owned subsidiary of Generation. In 2008, CPSG investigated and remediated the property by entering it into the Maryland Voluntary Cleanup Program (VCP) to address any historic environmental concerns and ready the site for appropriate future redevelopment. The site was accepted into the program in 2010 and is currently going through the process to remediate the site and receive closure from MDE. Exelon currently estimates the cost to close the site to be approximately \$4 million which has been fully reserved and included in the table above as of March 31, 2017.

**Sauer Dump.** On May 30, 2012, BGE was notified by the U.S. EPA that it is considered a PRP at the Sauer Dump Superfund site in Dundalk, Maryland. The U.S. EPA offered BGE and three other PRPs the opportunity to conduct an environmental investigation and present cleanup recommendations at the site. In addition, the U.S. EPA is seeking recovery from the PRPs of \$1.7 million for past cleanup and investigation costs at the site. On March 11, 2013, BGE and three other PRPs signed an Administrative Settlement Agreement and Order on Consent with the U.S. EPA which requires the PRPs to conduct a remedial investigation and feasibility study at the site to determine what, if any, are the appropriate and recommended cleanup activities for the site. The ultimate outcome of this proceeding is uncertain. Since the U.S. EPA has not selected a cleanup remedy and the allocation of the cleanup costs among the PRPs has not been determined, an estimate of the range of BGE's reasonably possible loss, if any, cannot be determined. It is possible, however, that resolution of this matter could have a material, unfavorable impact on Exelon's and BGE's future results of operations and cash flows, and an appropriate accrual has been established and is included in the table above.

**Riverside.** In 2013, the MDE, at the request of EPA, conducted a site inspection and limited environmental sampling of certain portions of the 170 acre Riverside property owned by BGE. The site consists of several different parcels with different current and historical uses. The sampling included soil and groundwater samples for a number of potential environmental contaminants. The sampling confirmed the existence of contaminants consistent with the known historical uses of the various portions of the site. In March 2014, the MDE requested that BGE conduct an investigation which included a site-wide investigation of soils, sediment, groundwater, and surface water to complement the MDE sampling. The field investigation was completed in January 2015, and a final report was provided to MDE in June 2015. In November 2015, MDE provided BGE with its comments and recommendations on the report which require BGE to conduct further investigation and sampling at the site to better delineate the nature and extent of historic contamination, including off-site sediment and soil sampling. MDE did not request any interim remediation at this time and BGE anticipates completing the additional work requested by the end of the second quarter of 2017. BGE has established what it believes is an appropriate reserve based upon the investigation to date. The established reserve is included in the table above. As the

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

investigation and potential remediation proceed, it is possible that additional reserves could be established, in amounts that could be material to BGE.

BGE is authorized to recover, and is currently recovering, environmental costs for the remediation of the former MGP facility sites from customers. However, while BGE does not have a rider for MGP clean-up costs, BGE has historically received recovery of actual clean-up costs in distribution rates.

**Benning Road Site.** In September 2010, PHI received a letter from EPA identifying the Benning Road site as one of six land-based sites potentially contributing to contamination of the lower Anacostia River. A portion of the site was formerly the location of a Pepco Energy Services electric generating facility. That generating facility was deactivated in June 2012 and plant structure demolition was completed in July 2015. The remaining portion of the site consists of a Pepco transmission and distribution service center that remains in operation. In December 2011, the U.S. District Court for the District of Columbia approved a consent decree entered into by Pepco and Pepco Energy Services with the DOEE, which requires Pepco and Pepco Energy Services to conduct a RI/FS for the Benning Road site and an approximately 10 to 15 acre portion of the adjacent Anacostia River. The RI/FS will form the basis for the remedial actions for the Benning Road site and for the Anacostia River sediment associated with the site. The consent decree does not obligate Pepco or Pepco Energy Services to pay for or perform any remediation work, but it is anticipated that DOEE will look to Pepco and Pepco Energy Services to assume responsibility for cleanup of any conditions in the river that are determined to be attributable to past activities at the Benning Road site.

The initial RI field work began in January 2013 and was completed in December 2014. In April 2015, Pepco and Pepco Energy Services submitted a draft RI Report to DOEE. After review, DOEE determined that additional field investigation and data analysis was required to complete the RI process (much of which was beyond the scope of the original DOEE-approved RI work plan). In the meantime, Pepco and Pepco Energy Services revised the draft RI Report to address DOEE's comments and DOEE released the draft RI Report for public review in February 2016. Once the additional RI work has been completed, Pepco and Pepco Energy Services will issue a draft "final" RI report for review and comment by DOEE and the public. Pepco and Pepco Energy Services will then proceed to develop an FS to evaluate possible remedial alternatives for submission to DOEE. The Court has established a schedule for completion of the RI and FS, and approval by the DOEE, by June 2018.

Upon DOEE's approval of the final RI and FS Reports, Pepco and Pepco Energy Services will have satisfied their obligations under the consent decree. At that point, DOEE will prepare a Proposed Plan regarding further response actions. After considering public comment on the Proposed Plan, DOEE will issue a Record of Decision identifying any further response actions determined to be necessary.

PHI, Pepco and Pepco Energy Services have determined that a loss associated with this matter for PHI, Pepco and Pepco Energy Services is probable and an estimated liability for this issue has been accrued, which is included in the table above. As the remedial investigation proceeds and potential remedies are identified, it is possible that additional accruals could be established in amounts that could be material to PHI, Pepco and Pepco Energy Services. Pursuant to Exelon's March 2016 acquisition of PHI, Pepco Energy Services was transferred to Generation. The ultimate resolution of this matter is currently not expected to have any significant financial impact on Generation.

**Anacostia River Tidal Reach.** Contemporaneous with the Benning RI/FS being performed by Pepco and Pepco Energy Services, DOEE and certain federal agencies have been conducting a separate RI/FS focused on the entire tidal reach of the Anacostia River extending from just north of the Maryland-D.C. boundary line to the confluence of the Anacostia and Potomac Rivers. In March 2016, DOEE released a draft of the river-wide RI.

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

Report for public review and comment. The river-wide RI incorporated the results of the river sampling performed by Pepco and Pepco Energy Services as part of the Benning RI/FS, as well as similar sampling efforts conducted by owners of other sites adjacent to this segment of the river and supplemental river sampling conducted by DOEE's contractor. DOEE asked Pepco, along with parties responsible for other sites along the river, to participate in a "Consultative Working Group" to provide input into the process for future remedial actions addressing the entire tidal reach of the river and to ensure proper coordination with the other river cleanup efforts currently underway, including cleanup of the river segment adjacent to the Benning Road site resulting from the Benning Road RI/FS. Pepco responded that it will participate in the Consultative Working Group but its participation is not an acceptance of any financial responsibility beyond the work that will be performed at the Benning Road site described above. DOEE has advised the Consultative Working Group that the federal and DOEE authorities are conducting phase 2 of a remedial investigation. DOEE has targeted June 2018 as the date for remedy selection for clean-up of sediments in this section of the river. The Consultative Working Group and the other possible PRPs have provided input into the proposed clean-up process and schedule. At this time, it is not possible to predict the extent of Pepco's participation in the river-wide RI/FS process, and Pepco cannot estimate the reasonably possible range of loss for response costs beyond those associated with the Benning RI/FS component of the river-wide initiative. It is possible, however, that resolution of this matter could have a material, unfavorable impact on Exelon's and Pepco's future results of operations and cash flows.

**Conectiv Energy Wholesale Power Generation Sites.** In July 2010, PHI sold the wholesale power generation business of Conectiv Energy Holdings, Inc. and substantially all of its subsidiaries (Conectiv Energy) to Calpine Corporation (Calpine). Under New Jersey's Industrial Site Recovery Act (ISRA), the transfer of ownership triggered an obligation on the part of Conectiv Energy to remediate any environmental contamination at each of the nine Conectiv Energy generating facility sites located in New Jersey. Under the terms of the sale, Calpine has assumed responsibility for performing the ISRA-required remediation and for the payment of all related ISRA compliance costs up to \$10 million. PHI is obligated to indemnify Calpine for any ISRA compliance remediation costs in excess of \$10 million. According to PHI's estimates, the costs of ISRA-required remediation activities at the 9 generating facility sites located in New Jersey are in the range of approximately \$7 million to \$18 million, and PHI has established an appropriate accrual for its share of the estimated clean-up costs, which is included in the table above. Pursuant to Exelon's March 2016 acquisition of PHI, Conectiv Energy was transferred to Generation, however, the responsibility to indemnify Calpine remained at PHI. The ultimate resolution of this matter is currently not expected to have any significant financial impact on PHI.

**Rock Creek Mineral Oil Release.** In late August 2015, a Pepco underground transmission line in the District of Columbia suffered a breach, resulting in the release of non-toxic mineral oil surrounding the transmission line into the surrounding soil, and a small amount reached Rock Creek through a storm drain. Pepco notified regulatory authorities, and Pepco and its spill response contractors placed booms in Rock Creek, blocked the storm drain to prevent the release of mineral oil into the creek and commenced remediation of soil around the transmission line and the Rock Creek shoreline. Pepco estimates that approximately 6,100 gallons of mineral oil were released and that its remediation efforts recovered approximately 80% of the amount released. Pepco's remediation efforts are ongoing under the direction of the DOEE, including the requirements of a February 29, 2016 compliance order which requires Pepco to prepare a full incident investigation report and prepare a removal action work plan to remove all impacted soils in the vicinity of the storm drain outfall, and in collaboration with the National Park Service, the Smithsonian Institution/National Zoo and EPA. Pepco's investigation presently indicates that the damage to Pepco's facilities occurred prior to the release of mineral oil when third-party excavators struck the Pepco underground transmission line while installing cable for another utility.

To the extent recovery is available against any party who contributed to this loss, PHI and Pepco will pursue such action. Exelon, PHI and Pepco continue to investigate the cause of the incident, the parties involved, and

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

legal responsibility under District of Columbia law, but do not believe that the remediation costs to resolve this matter will have a material adverse effect on their respective financial condition, results of operations or cash flows

**Brandywine Fly Ash Disposal Site.** In February 2013, Pepco received a letter from the MDE requesting that Pepco investigate the extent of waste on a Pepco right-of-way that traverses the Brandywine fly ash disposal site in Brandywine, Prince George's County, Maryland, owned by NRG Energy, Inc (as successor to GenOn MD Ash Management, LLC) (NRG). In July 2013, while reserving its rights and related defenses under a 2000 agreement covering the sale of this site, Pepco indicated its willingness to investigate the extent of, and propose an appropriate closure plan to address, ash on the right-of-way. Pepco submitted a schedule for development of a closure plan to MDE on September 30, 2013 and, by letter dated October 18, 2013, MDE approved the schedule.

Exelon, PHI and Pepco have determined that a loss associated with this matter is probable and have estimated that the costs for implementation of a closure plan and cap on the site are in the range of approximately \$3 million to \$6 million, for which an appropriate reserve has been established and is included in the table above. Exelon, PHI and Pepco believe that the costs incurred in this matter will be recoverable from NRG under the 2000 sale agreement

**Litigation and Regulatory Matters**

**Asbestos Personal Injury Claims (Exelon, Generation, ComEd, PECO and BGE)**

**Exelon, Generation and PECO.** Generation maintains a reserve for claims associated with asbestos-related personal injury actions in certain facilities that are currently owned by Generation or were previously owned by ComEd and PECO. The reserve is recorded on an undiscounted basis and excludes the estimated legal costs associated with handling these matters, which could be material

At March 31, 2017 and December 31, 2016, Generation had reserved approximately \$82 million and \$83 million, respectively, in total for asbestos-related bodily injury claims. As of March 31, 2017, approximately \$23 million of this amount related to 240 open claims presented to Generation, while the remaining \$59 million of the reserve is for estimated future asbestos-related bodily injury claims anticipated to arise through 2050, based on actuarial assumptions and analyses, which are updated on an annual basis. On a quarterly basis, Generation monitors actual experience against the number of forecasted claims to be received and expected claim payments and evaluates whether an adjustment to the reserve is necessary.

On November 22, 2013, the Supreme Court of Pennsylvania held that the Pennsylvania Workers Compensation Act does not apply to an employee's disability or death resulting from occupational disease, such as diseases related to asbestos exposure, which manifests more than 300 weeks after the employee's last employment-based exposure, and that therefore the exclusivity provision of the Act does not preclude such employee from suing his or her employer in court. The Supreme Court's ruling reverses previous rulings by the Pennsylvania Superior Court precluding current and former employees from suing their employers in court, despite the fact that the same employee was not eligible for workers compensation benefits for diseases that manifest more than 300 weeks after the employee's last employment-based exposure to asbestos. Since the Pennsylvania Supreme Court's ruling in November 2013, Exelon, Generation, and PECO have experienced an increase in asbestos-related personal injury claims brought by former PECO employees, all of which have been reserved for on a claim by claim basis. Those additional claims are taken into account in projecting estimates of future asbestos-related bodily injury claims.

On November 4, 2015, the Illinois Supreme Court found that the provisions of the Illinois' Workers' Compensation Act and the Workers' Occupational Diseases Act barred an employee from bringing a direct civil

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

action against an employer for latent diseases, including asbestos-related diseases that fall outside the 25-year limit of the statute of repose. The Illinois Supreme Court's ruling reversed previous rulings by the Illinois Court of Appeals, which initially ruled that the Illinois Worker's Compensation law should not apply in cases where the diagnosis of an asbestos related disease occurred after the 25-year maximum time period for filing a Worker's Compensation claim. Since the Illinois Supreme Court's ruling in November 2015, Exelon, Generation, and ComEd have not experienced a significant increase in asbestos-related personal injury claims brought by former ComEd employees.

There is a reasonable possibility that Exelon may have additional exposure to estimated future asbestos-related bodily injury claims in excess of the amount accrued and the increases could have a material adverse effect on Exelon's, Generation's, ComEd's, PECO and BGE's future results of operations and cash flows.

**BGE.** Since 1993, BGE and certain Constellation (now Generation) subsidiaries have been involved in several actions concerning asbestos. The actions are based upon the theory of "premises liability," alleging that BGE and Generation knew of and exposed individuals to an asbestos hazard. In addition to BGE and Generation, numerous other parties are defendants in these cases.

To date, most asbestos claims which have been resolved relating to BGE and certain Constellation subsidiaries have been dismissed or resolved without any payment and a small minority of these cases has been resolved for amounts that were not material to BGE or Generation's financial results. Presently, there are an immaterial number of asbestos cases pending against BGE and certain Constellation subsidiaries.

***Continuous Power Interruption (Exelon and ComEd)***

Section 16-125 of the Illinois Public Utilities Act provides that in the event an electric utility, such as ComEd, experiences a continuous power interruption of four hours or more that affects (in ComEd's case) more than 30,000 customers, the utility may be liable for actual damages suffered by customers as a result of the interruption and may be responsible for reimbursement of local governmental emergency and contingency expenses incurred in connection with the interruption. Recovery of consequential damages is barred. The affected utility may seek from the ICC a waiver of these liabilities when the utility can show that the cause of the interruption was unpreventable damage due to weather events or conditions, customer tampering, or certain other causes enumerated in the law. As of March 31, 2017 and December 31, 2016, ComEd did not have any material liabilities recorded for these storm events.

***Baltimore City Franchise Taxes (Exelon and BGE)***

The City of Baltimore claims that BGE has maintained electric facilities in the City's public right-of-ways for over one hundred years without the proper franchise rights from the City. BGE has reviewed the City's claim and believes that it lacks merit. BGE has not recorded an accrual for payment of franchise fees for past periods as a range of loss, if any, cannot be reasonably estimated at this time. Franchise fees assessed in future periods may be material to BGE's results of operations and cash flows.

***Conduit Lease with City of Baltimore (Exelon and BGE)***

On September 23, 2015, the Baltimore City Board of Estimates approved an increase in annual rental fees for access to the Baltimore City underground conduit system effective November 1, 2015, from \$12 million to \$42 million, subject to an annual increase thereafter based on the Consumer Price Index. BGE subsequently entered into litigation with the City regarding the amount of and basis for establishing the conduit fee. On November 30, 2016, the Baltimore City Board of Estimates approved a settlement agreement entered into.

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

between BGE and the City to resolve the disputes and pending litigation related to BGE's use of and payment for the underground conduit system. As a result of the settlement, the parties have entered into a six-year lease that reduces the annual expense to \$25 million in the first three years and caps the annual expense in the last three years to not more than \$29 million. BGE recorded a credit to Operating and maintenance expense in the fourth quarter of approximately \$28 million for the reversal of the previously higher fees accrued in the current year as well as the settlement of prior year disputed fee true-up amounts.

***Deere Wind Energy Assets (Exelon and Generation)***

In 2013, Deere & Company ("Deere") filed a lawsuit against Generation in the Delaware Superior Court relating to Generation's acquisition of the Deere wind energy assets. Under the purchase agreement, Deere was entitled to receive earn-out payments if certain specific wind projects already under development in Michigan met certain development and construction milestones following the sale. In the complaint, Deere seeks to recover a \$14 million earn-out payment associated with one such project, which was never completed. Generation has filed counterclaims against Deere for breach of contract, with a right of recoupment and set off. On June 2, 2016, the Delaware Superior Court entered summary judgment in favor of Deere. On January 17, 2017, Generation filed an appeal of the Superior Court's summary judgment decision with the Supreme Court of Delaware. Generation has accrued an amount to cover its potential liability.

***General (All Registrants)***

The Registrants are involved in various other litigation matters that are being defended and handled in the ordinary course of business. The assessment of whether a loss is probable or a reasonable possibility, and whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events. The Registrants maintain accruals for such losses that are probable of being incurred and subject to reasonable estimation. Management is sometimes unable to estimate an amount or range of reasonably possible loss, particularly where (1) the damages sought are indeterminate, (2) the proceedings are in the early stages, or (3) the matters involve novel or unsettled legal theories. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution of such matters, including a possible eventual loss.

***Income Taxes (Exelon, Generation, ComEd, PECO and BGE)***

See Note 11 — Income Taxes for information regarding the Registrants' income tax refund claims and certain tax positions, including the 1999 sale of fossil generating assets.

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

which Generation is required by the NRC to maintain, to provide for decommissioning the facility. In the event of an insured loss, Generation is unable to predict the timing of the availability of insurance proceeds to Generation and the amount of such proceeds that would be available. In the event that one or more acts of terrorism cause accidental property damage within a twelve-month period from the first accidental property damage under one or more policies for all insured plants, the maximum recovery by Exelon will be an aggregate of \$3.2 billion plus such additional amounts as the insurer may recover for all such losses from reinsurance, indemnity and any other source, applicable to such losses.

For its insured losses, Generation is self-insured to the extent that losses are within the policy deductible or exceed the amount of insurance maintained. Uninsured losses and other expenses, to the extent not recoverable from insurers or the nuclear industry, could also be borne by Generation. Any such losses could have a material adverse effect on Exelon's and Generation's financial condition, results of operations and liquidity.

**Environmental Issues (All Registrants)**

**General.** The Registrants' operations have in the past, and may in the future, require substantial expenditures in order to comply with environmental laws. Additionally, under Federal and state environmental laws, the Registrants are generally liable for the costs of remediating environmental contamination of property now or formerly owned by them and of property contaminated by hazardous substances generated by them. The Registrants own or lease a number of real estate parcels, including parcels on which their operations or the operations of others may have resulted in contamination by substances that are considered hazardous under environmental laws. In addition, the Registrants are currently involved in a number of proceedings relating to sites where hazardous substances have been deposited and may be subject to additional proceedings in the future.

ComEd, PECO, BGE and DPL have identified sites where former MGP activities have or may have resulted in actual site contamination. For almost all of these sites, there are additional PRPs that may share responsibility for the ultimate remediation of each location.

- ComEd has identified 42 sites, 19 of which the remediation has been completed and approved by the Illinois EPA or the U.S. EPA and 23 that are currently under some degree of active study and/or remediation. ComEd expects the majority of the remediation at these sites to continue through at least 2021.
- PECO has identified 26 sites, 17 of which have been remediated in accordance with applicable PA DEP regulatory requirements. The remaining 9 sites are currently under some degree of active study and/or remediation. PECO expects the majority of the remediation at these sites to continue through at least 2022.
- BGE has identified 13 former gas manufacturing or purification sites that it currently owns or owned at one time through a predecessor's acquisition. Two of the gas manufacturing sites require some level of remediation and ongoing monitoring under the direction of the MDE. The required costs at these two sites are not considered material. In May 2017, BGE completed the additional work requested by MDE. All the sample testing produced results that were below the cleanup action level established by MDE and no further investigation is required. For more information, see the discussion of the Riverside site below.
- DPL has identified 2 sites, all of which the remediation has been completed and approved by the MDE or the Delaware Department of Natural Resources and Environmental Control.

ComEd, pursuant to an ICC order, and PECO, pursuant to settlements of natural gas distribution rate cases with the PAPUC, are currently recovering environmental remediation costs of former MGP facility sites through

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

customer rates. ComEd and PECO have recorded regulatory assets for the recovery of these costs. See Note 5 — Regulatory Matters for additional information regarding the associated regulatory assets. BGE is authorized to recover, and is currently recovering, environmental costs for the remediation of the former MGP facility sites from customers, however, while BGE does not have a rider for MGP clean-up costs, BGE has historically received recovery of actual clean-up costs in distribution rates. DPL has historically received recovery of actual clean-up costs in distribution rates.

As of June 30, 2017 and December 31, 2016, the Registrants had accrued the following undiscounted amounts for environmental liabilities in Other current liabilities and Other deferred credits and other liabilities within their respective Consolidated Balance Sheets.

<u>June 30, 2017</u>	<u>Total Environmental Investigation and Remediation Reserve</u>	<u>Portion of Total Related to MGP Investigation and Remediation</u>
Exelon	\$ 412	\$ 315
Generation	67	—
ComEd	284	282
PECO	32	31
BGE	3	2
PHI (Successor)	26	—
Pepco	23	—
DPL	2	—
ACE	1	—
<u>December 31, 2016</u>	<u>Total Environmental Investigation and Remediation Reserve</u>	<u>Portion of Total Related to MGP Investigation and Remediation</u>
Exelon	\$ 429	\$ 325
Generation	72	—
ComEd	292	291
PECO	33	31
BGE	2	2
PHI (Successor)	30	1
Pepco	27	—
DPL	2	1
ACE	1	—

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

The Registrants cannot reasonably estimate whether they will incur other significant liabilities for additional investigation and remediation costs at these or additional sites identified by the Registrants, environmental agencies or others, or whether such costs will be recoverable from third parties, including customers.

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

***Water Quality***

***Benning Road Site NPDES Permit Limit Exceedances*** . Pepco holds an NPDES permit issued by EPA with a July 19, 2009 effective date, which authorizes discharges from the Benning Road service facility. The 2009 permit for the first time imposed numerical limits on the allowable concentration of certain metals in storm water discharged from the site into the Anacostia River. The permit contemplated that Pepco would meet these limits over time through the use of best management practices (BMPs). The BMPs were effective in reducing metal concentrations in storm water discharges, but were not sufficient to meet all of the numerical limits for all metals.

The 2009 permit remains in effect pending EPA's action on the Pepco renewal application, including resolution of the stormwater compliance issues. On October 30, 2015, EPA filed a Clean Water Act civil enforcement action against Pepco in federal district court, and in March 2016 the court granted a motion by the Anacostia Riverkeeper to intervene in this case as a plaintiff along with EPA. Since 2009 Pepco has installed runoff mitigation measures and implemented new operating procedures to comply with regulations. In January 2017, the parties agreed to a settlement in the form of a Consent Decree whereby Pepco will pay a civil penalty in the amount of \$1.6 million, continue the BMPs to manage stormwater, construct a new stormwater treatment system, and make certain other capital improvements to the stormwater management system. On May 19, 2017, the Consent Decree was entered with the Court and became final. The Civil Penalty assessed under the Consent Decree of \$1.6 million was paid on June 5, 2017 and other requirements of the Decree are now being implemented.

***Solid and Hazardous Waste***

***Cotter Corporation.*** The EPA has advised Cotter Corporation (Cotter), a former ComEd subsidiary, that it is potentially liable in connection with radiological contamination at a site known as the West Lake Landfill in Missouri. In 2000, ComEd sold Cotter to an unaffiliated third-party. As part of the sale, ComEd agreed to indemnify Cotter for any liability arising in connection with the West Lake Landfill. In connection with Exelon's 2001 corporate restructuring, this responsibility to indemnify Cotter was transferred to Generation. On May 29, 2008, the EPA issued a Record of Decision approving the remediation option submitted by Cotter and the two other PRPs that required additional landfill cover. The current estimated cost of the landfill cover remediation for the site is approximately \$90 million, including escalation, which will be allocated among all PRPs. Generation has accrued what it believes to be an adequate amount to cover its anticipated share of such liability, which is included in the table above. By letter dated January 11, 2010, the EPA requested that the PRPs perform a supplemental feasibility study for a remediation alternative that would involve complete excavation of the radiological contamination. On September 30, 2011, the PRPs submitted the supplemental feasibility study to the EPA for review. Since June 2012, the EPA has requested that the PRPs perform a series of additional analyses and groundwater and soil sampling as part of the supplemental feasibility study, that were completed in December 2016. The EPA has advised the PRPs that the EPA announcement of the proposed remedy will take place in the first quarter of 2018. Thereafter, the EPA will select a final remedy and seek to enter into a Consent Decree with the PRPs to effectuate the remedy. Recent investigation has identified a number of other parties who may be PRPs and could be liable to contribute to the final remedy. Further investigation is underway. Generation believes that a partial excavation remedy is reasonably possible, and the partial excavation costs, inclusive of a landfill cover, could range from approximately \$225 million to \$650 million; such costs would likely be shared by the final group of identified PRPs. Generation believes the likelihood that the EPA would require a complete excavation remedy is remote. The cost of a partial or complete excavation could have a material, unfavorable impact on Generation's and Exelon's future results of operations and cash flows.

During December 2015, the EPA took two actions related to the West Lake Landfill designed to abate what it termed as imminent and dangerous conditions at the landfill. The first involved installation by the PRPs of a

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

non-combustible surface cover to protect against surface fires in areas where radiological materials are believed to have been disposed. Generation has accrued what it believes to be an adequate amount to cover its anticipated liability for this interim action. The second action involved EPA's public statement that it will require the PRPs to construct a barrier wall in an adjacent landfill to prevent a subsurface fire from spreading to those areas of the West Lake Landfill where radiological materials are believed to have been disposed. At this time, EPA has not provided sufficient details related to the basis for and the requirements and design of a barrier wall to enable Generation to determine the likelihood such a remedy will ultimately be implemented, assess the degree to which Generation may have liability as a potentially responsible party, or develop a reasonable estimate of the potential incremental costs. It is reasonably possible, however, that resolution of this matter could have a material, unfavorable impact on Generation's and Exelon's future results of operations and cash flows. Finally, one of the other PRPs, the landfill owner and operator of the adjacent landfill, has indicated that it will be making a contribution claim against Cotter for costs that it has incurred to prevent the subsurface fire from spreading to those areas of the West Lake Landfill where radiological materials are believed to have been disposed. At this time, Generation and Exelon do not possess sufficient information to assess this claim and are therefore unable to determine the impact on their future results of operations and cash flows.

On February 2, 2016, the U.S. Senate passed a bill to transfer remediation authority over the West Lake Landfill from the EPA to the U.S. Army Corps of Engineers, under the Formerly Utilized Sites Remedial Action Program (FUSRAP). The legislation was not passed in the U.S. House of Representatives, and would therefore require reintroduction in the Senate for consideration in the current session of Congress. Should such proposed legislation ultimately become law, it would be subject to annual funding appropriations in the U.S. Budget. Remediation under FUSRAP would not alter the liability of the PRPs, but would likely delay the determination of a final remedy and its implementation.

On August 8, 2011, Cotter was notified by the DOJ that Cotter is considered a PRP with respect to the government's clean-up costs for contamination attributable to low level radioactive residues at a former storage and reprocessing facility named Latty Avenue near St. Louis, Missouri. The Latty Avenue site is included in ComEd's indemnification responsibilities discussed above as part of the sale of Cotter. The radioactive residues had been generated initially in connection with the processing of uranium ores as part of the U.S. government's Manhattan Project. Cotter purchased the residues in 1969 for initial processing at the Latty Avenue facility for the subsequent extraction of uranium and metals. In 1976, the NRC found that the Latty Avenue site had radiation levels exceeding NRC criteria for decontamination of land areas. Latty Avenue was investigated and remediated by the United States Army Corps of Engineers pursuant to funding under the FUSRAP. The DOJ has not yet formally advised the PRPs of the amount that it is seeking, but it is believed to be approximately \$90 million. The DOJ and the PRPs agreed to toll the statute of limitations until August 2018 so that settlement discussions could proceed. Based on Generation's preliminary review, it appears probable that Generation has liability to Cotter under the indemnification agreement and has established an appropriate accrual for this liability, which is included in the table above.

Commencing in February 2012, a number of lawsuits have been filed in the U.S. District Court for the Eastern District of Missouri. Among the defendants were Exelon, Generation and ComEd, all of which were subsequently dismissed from the case, as well as Cotter, which remains a defendant. The suits allege that individuals living in the North St. Louis area developed some form of cancer or other serious illness due to Cotter's negligent or reckless conduct in processing, transporting, storing, handling and/or disposing of radioactive materials. Plaintiffs are asserting public liability claims under the Price-Anderson Act. Their state law claims for negligence, strict liability, emotional distress, and medical monitoring have been dismissed. The complaints do not contain specific damage claims. In the event of a finding of liability against Cotter, it is reasonably possible that Exelon would be financially responsible due to its indemnification responsibilities of Cotter described above. The court has dismissed a number of lawsuits, and is expected to dismiss additional

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

lawsuits based on a recent ruling. Pre-trial motions and discovery are proceeding in the remaining cases and a pre-trial scheduling order has been filed with the court. At this stage of the litigation, Generation and ComEd cannot estimate a range of loss, if any.

**68<sup>th</sup> Street Dump.** In 1999, the EPA proposed to add the 68th Street Dump in Baltimore, Maryland to the Superfund National Priorities List, and notified BGE and 19 others that they are PRPs at the site. In connection with BGE's 2000 corporate restructuring the responsibility for this liability was transferred to Constellation and as a result of the 2012 Exelon and CEG merger is now Generation's responsibility. In March 2004, the PRPs formed the 68th Street Coalition and entered into consent order negotiations with the U.S. EPA to investigate clean-up options for the site under the Superfund Alternative Sites Program. In May 2006, a settlement among the U.S. EPA and the PRPs with respect to investigation of the site became effective. The settlement requires the PRPs, over the course of several years, to identify contamination at the site and recommend clean-up options. The PRPs submitted their investigation of the range of clean-up options in the first quarter of 2011. On September 30, 2013, EPA issued the Record of Decision identifying its preferred remedial alternative for the site. The estimated cost for the alternative chosen by EPA is consistent with the PRPs estimated range of costs noted above. In July, 2017 the PRPs and EPA finalized the terms of a Consent Decree which is being executed by the Parties and will then be lodged with the Court and subject to a 30-day public comment period after which it is anticipated it will be approved by the Court without any significant change in the costs for cleanup. There will also be an ancillary agreement between the PRPs who will be performing the remedy and those who have elected to enter into cash settlements and become non-performing parties. Generation has elected to be a non-performing party and the settlement terms will provide contribution and all other protections against the performing parties. Generation has reached a preliminary settlement agreement for its share of the estimated clean-up costs, which is included in the table above and is immaterial to the Generation and Exelon financial statements.

**Rossville Ash Site.** The Rossville Ash Site is a 32-acre property located in Rosedale, Baltimore County, Maryland, which was used for the placement of fly ash from 1983-2007. The property is owned by Constellation Power Source Generation, LLC (CPSG), a wholly owned subsidiary of Generation. In 2008, CPSG investigated and remediated the property by entering it into the Maryland Voluntary Cleanup Program (VCP) to address any historic environmental concerns and ready the site for appropriate future redevelopment. The site was accepted into the program in 2010 and is currently going through the process to remediate the site and receive closure from MDE. Exelon currently estimates the cost to close the site to be approximately \$2 million which has been fully reserved and included in the table above as of June 30, 2017.

**Sauer Dump.** On May 30, 2012, BGE was notified by the U.S. EPA that it is considered a PRP at the Sauer Dump Superfund site in Dundalk, Maryland. The U.S. EPA offered BGE and three other PRPs the opportunity to conduct an environmental investigation and present cleanup recommendations at the site. In addition, the U.S. EPA is seeking recovery from the PRPs of \$1.7 million for past cleanup and investigation costs at the site. On March 11, 2013, BGE and three other PRPs signed an Administrative Settlement Agreement and Order on Consent with the U.S. EPA which requires the PRPs to conduct a remedial investigation and feasibility study at the site to determine what, if any, are the appropriate and recommended cleanup activities for the site. Although the ultimate outcome of this proceeding is uncertain based on the information compiled to date, BGE has developed an estimate of the range of BGE's probable liability and has established an appropriate accrual that is included in the table above. It is possible, however, that final resolution of this matter could have a material, unfavorable impact on BGE's future results of operations and cash flows.

**Riverside.** In 2013, the MDE, at the request of EPA, conducted a site inspection and limited environmental sampling of certain portions of the 170 acre Riverside property owned by BGE. The site consists of several different parcels with different current and historical uses. The sampling included soil and groundwater samples for a number of potential environmental contaminants. The sampling confirmed the existence of contaminants.

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

consistent with the known historical uses of the various portions of the site. In March 2014, the MDE requested that BGE conduct an investigation which included a site-wide investigation of soils, sediment, groundwater, and surface water to complement the MDE sampling. The field investigation was completed in January 2015, and a final report was provided to MDE in June 2015. In November 2015, MDE provided BGE with its comments and recommendations on the report which require BGE to conduct further investigation and sampling at the site to better delineate the nature and extent of historic contamination, including off-site sediment and soil sampling. MDE did not request any interim remediation at this time and in May 2017 BGE completed the additional work requested by MDE. All the sample testing produced results that were below the cleanup action level established by MDE and no further investigation is required. BGE has established what it believes is an appropriate reserve based upon the investigation to date. The established reserve is included in the table above. As the investigation and potential remediation proceed, it is possible that additional reserves could be established, in amounts that could be material to BGE.

BGE is authorized to recover, and is currently recovering, environmental costs for the remediation of the former MGP facility sites from customers, however, while BGE does not have a rider for MGP clean-up costs, BGE has historically received recovery of actual clean-up costs in distribution rates. Additionally, legislation was passed during the 2017 Maryland General Assembly session that should further support BGE's recovery of its clean-up costs.

**Benning Road Site.** In September 2010, PHH received a letter from EPA identifying the Benning Road site as one of six land-based sites potentially contributing to contamination of the lower Anacostia River. A portion of the site was formerly the location of a Pepco Energy Services electric generating facility. That generating facility was deactivated in June 2012 and plant structure demolition was completed in July 2015. The remaining portion of the site consists of a Pepco transmission and distribution service center that remains in operation. In December 2011, the U.S. District Court for the District of Columbia approved a consent decree entered into by Pepco and Pepco Energy Services with the DOEE, which requires Pepco and Pepco Energy Services to conduct a Remediation Investigation (RI)/ Feasibility Study (FS) for the Benning Road site and an approximately 10 to 15 acre portion of the adjacent Anacostia River. The RI/FS will form the basis for the remedial actions for the Benning Road site and for the Anacostia River sediment associated with the site. The consent decree does not obligate Pepco or Pepco Energy Services to pay for or perform any remediation work, but it is anticipated that DOEE will look to Pepco and Pepco Energy Services to assume responsibility for cleanup of any conditions in the river that are determined to be attributable to past activities at the Benning Road site.

The initial RI field work began in January 2013 and was completed in December 2014. In April 2015, Pepco and Pepco Energy Services submitted a draft RI Report to DOEE. After review, DOEE determined that additional field investigation and data analysis was required to complete the RI process (much of which was beyond the scope of the original DOEE-approved RI work plan). In the meantime, Pepco and Pepco Energy Services revised the draft RI Report to address DOEE's comments and DOEE released the draft RI Report for public review in February 2016. Once the additional RI work has been completed, Pepco and Pepco Energy Services will issue a draft "final" RI report for review and comment by DOEE and the public. Pepco and Pepco Energy Services will then proceed to develop an FS to evaluate possible remedial alternatives for submission to DOEE. The Court has established a schedule for completion of the RI and FS, and approval by the DOEE, by June 2018.

Upon DOEE's approval of the final RI and FS Reports, Pepco and Pepco Energy Services will have satisfied their obligations under the consent decree. At that point, DOEE will prepare a Proposed Plan regarding further response actions. After considering public comment on the Proposed Plan, DOEE will issue a Record of Decision identifying any further response actions determined to be necessary.

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

PHI, Pepco and Pepco Energy Services have determined that a loss associated with this matter for PHI, Pepco and Pepco Energy Services is probable and an estimated liability for this issue has been accrued, which is included in the table above. As the remedial investigation proceeds and potential remedies are identified, it is possible that additional accruals could be established in amounts that could be material to PHI, Pepco and Pepco Energy Services. Pursuant to Exelon's March 2016 acquisition of PHI, Pepco Energy Services was transferred to Generation. The ultimate resolution of this matter is currently not expected to have any significant financial impact on Generation.

**Anacostia River Tidal Reach.** Contemporaneous with the Benning RI/FS being performed by Pepco and Pepco Energy Services, DOEE and certain federal agencies have been conducting a separate RI/FS focused on the entire tidal reach of the Anacostia River extending from just north of the Maryland-D.C. boundary line to the confluence of the Anacostia and Potomac Rivers. In March 2016, DOEE released a draft of the river-wide RI Report for public review and comment. The river-wide RI incorporated the results of the river sampling performed by Pepco and Pepco Energy Services as part of the Benning RI/FS, as well as similar sampling efforts conducted by owners of other sites adjacent to this segment of the river and supplemental river sampling conducted by DOEE's contractor. DOEE asked Pepco, along with parties responsible for other sites along the river, to participate in a "Consultative Working Group" to provide input into the process for future remedial actions addressing the entire tidal reach of the river and to ensure proper coordination with the other river cleanup efforts currently underway, including cleanup of the river segment adjacent to the Benning Road site resulting from the Benning Road RI/FS. Pepco responded that it will participate in the Consultative Working Group but its participation is not an acceptance of any financial responsibility beyond the work that will be performed at the Benning Road site described above. DOEE has advised the Consultative Working Group that the federal and DOEE authorities are conducting phase 2 of a remedial investigation. DOEE has targeted June 2018 as the date for remedy selection for clean-up of sediments in this section of the river. The Consultative Working Group and the other possible PRPs have provided input into the proposed clean-up process and schedule. At this time, it is not possible to predict the extent of Pepco's participation in the river-wide RI/FS process, and Pepco cannot estimate the reasonably possible range of loss for response costs beyond those associated with the Benning RI/FS component of the river-wide initiative. It is possible, however, that resolution of this matter could have a material, unfavorable impact on Exelon's and Pepco's future results of operations and cash flows.

**Conectiv Energy Wholesale Power Generation Sites.** In July 2010, PHI sold the wholesale power generation business of Conectiv Energy Holdings, Inc and substantially all of its subsidiaries (Conectiv Energy) to Calpine Corporation (Calpine). Under New Jersey's Industrial Site Recovery Act (ISRA), the transfer of ownership to Calpine triggered an obligation on the part of Conectiv Energy to remediate any environmental contamination at each of the nine Conectiv Energy generating facility sites located in New Jersey. Under the terms of the sale, Calpine assumed responsibility for performing the ISRA-required remediation and for the payment of all related ISRA compliance costs up to \$10 million. Predecessor PHI was obligated to indemnify Calpine for any ISRA compliance remediation costs in excess of \$10 million. According to PHI's estimates, the costs of ISRA-required remediation activities at the 9 generating facility sites are in the range of approximately \$7 million to \$18 million, and predecessor PHI established an appropriate accrual for its share of the estimated clean-up costs. Pursuant to Exelon's March 2016 acquisition of PHI, the Conectiv Energy legal entity was transferred to Generation and the accrual for Predecessor PHI's share of the estimated clean-up costs was also transferred to Generation and is included in the table above as a liability of Generation. The responsibility to indemnify Calpine is shared by PHI and Generation. The ultimate resolution of this matter is currently not expected to have a material financial impact on PHI and Generation.

**Rock Creek Mineral Oil Release.** In late August 2015, a Pepco underground transmission line in the District of Columbia suffered a breach, resulting in the release of non-toxic mineral oil surrounding the

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

transmission line into the surrounding soil, and a small amount reached Rock Creek through a storm drain. Pepco notified regulatory authorities, and Pepco and its spill response contractors placed booms in Rock Creek, blocked the storm drain to prevent the release of mineral oil into the creek and commenced remediation of soil around the transmission line and the Rock Creek shoreline. Pepco estimates that approximately 6,100 gallons of mineral oil were released and that its remediation efforts recovered approximately 80% of the amount released. Pepco's remediation efforts are ongoing under the direction of the DOEE, including the requirements of a February 29, 2016 compliance order which requires Pepco to prepare a full incident investigation report and prepare a removal action work plan to remove all impacted soils in the vicinity of the storm drain outfall, and in collaboration with the National Park Service, the Smithsonian Institution/National Zoo and EPA. Pepco's investigation presently indicates that the damage to Pepco's facilities occurred prior to the release of mineral oil when third-party excavators struck the Pepco underground transmission line while installing cable for another utility.

To the extent recovery is available against any party who contributed to this loss, PHI and Pepco will pursue such action. Exelon, PHI and Pepco continue to investigate the cause of the incident, the parties involved, and legal responsibility under District of Columbia law, but do not believe that the remediation costs to resolve this matter will have a material adverse effect on their respective financial condition, results of operations or cash flows.

**Brandywine Fly Ash Disposal Site.** In February 2013, Pepco received a letter from the MDE requesting that Pepco investigate the extent of waste on a Pepco right-of-way that traverses the Brandywine fly ash disposal site in Brandywine, Prince George's County, Maryland, owned by NRG Energy, Inc. (as successor to GenOn MD Ash Management, LLC) (NRG). In July 2013, while reserving its rights and related defenses under a 2000 agreement covering the sale of this site, Pepco indicated its willingness to investigate the extent of, and propose an appropriate closure plan to address, ash on the right-of-way. Pepco submitted a schedule for development of a closure plan to MDE on September 30, 2013 and, by letter dated October 18, 2013, MDE approved the schedule.

Exelon, PHI and Pepco have determined that a loss associated with this matter is probable and have estimated that the costs for implementation of a closure plan and cap on the site are in the range of approximately \$3 million to \$6 million, for which an appropriate reserve has been established and is included in the table above. Exelon, PHI and Pepco believe that the costs incurred in this matter will be recoverable from NRG under the 2000 sale agreement.

**Litigation and Regulatory Matters**

***Asbestos Personal Injury Claims (Exelon, Generation, ComEd, PECO and BGE)***

**Exelon, Generation and PECO.** Generation maintains a reserve for claims associated with asbestos-related personal injury actions in certain facilities that are currently owned by Generation or were previously owned by ComEd and PECO. The reserve is recorded on an undiscounted basis and excludes the estimated legal costs associated with handling these matters, which could be material.

At June 30, 2017 and December 31, 2016, Generation had reserved approximately \$81 million and \$83 million, respectively, in total for asbestos-related bodily injury claims. As of June 30, 2017, approximately \$21 million of this amount related to 224 open claims presented to Generation, while the remaining \$59 million of the reserve is for estimated future asbestos-related bodily injury claims anticipated to arise through 2050, based on actuarial assumptions and analyses, which are updated on an annual basis. On a quarterly basis, Generation monitors actual experience against the number of forecasted claims to be received and expected claim payments and evaluates whether an adjustment to the reserve is necessary.

On November 22, 2013, the Supreme Court of Pennsylvania held that the Pennsylvania Workers Compensation Act does not apply to an employee's disability or death resulting from occupational disease, such

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

as diseases related to asbestos exposure, which manifests more than 300 weeks after the employee's last employment-based exposure, and that therefore the exclusivity provision of the Act does not preclude such employee from suing his or her employer in court. The Supreme Court's ruling reverses previous rulings by the Pennsylvania Superior Court precluding current and former employees from suing their employers in court, despite the fact that the same employee was not eligible for workers compensation benefits for diseases that manifest more than 300 weeks after the employee's last employment-based exposure to asbestos. Since the Pennsylvania Supreme Court's ruling in November 2013, Exelon, Generation, and PECO have experienced an increase in asbestos-related personal injury claims brought by former PECO employees, all of which have been reserved for on a claim by claim basis. Those additional claims are taken into account in projecting estimates of future asbestos-related bodily injury claims.

On November 4, 2015, the Illinois Supreme Court found that the provisions of the Illinois' Workers' Compensation Act and the Workers' Occupational Diseases Act barred an employee from bringing a direct civil action against an employer for latent diseases, including asbestos-related diseases that fall outside the 25-year limit of the statute of repose. The Illinois Supreme Court's ruling reversed previous rulings by the Illinois Court of Appeals, which initially ruled that the Illinois Worker's Compensation law should not apply in cases where the diagnosis of an asbestos related disease occurred after the 25-year maximum time period for filing a Worker's Compensation claim. Since the Illinois Supreme Court's ruling in November 2015, Exelon, Generation, and ComEd have not experienced a significant increase in asbestos-related personal injury claims brought by former ComEd employees.

There is a reasonable possibility that Exelon may have additional exposure to estimated future asbestos-related bodily injury claims in excess of the amount accrued and the increases could have a material adverse effect on Exelon's, Generation's, ComEd's, PECO and BGE's future results of operations and cash flows.

**BGE.** Since 1993, BGE and certain Constellation (now Generation) subsidiaries have been involved in several actions concerning asbestos. The actions are based upon the theory of "premises liability," alleging that BGE and Generation knew of and exposed individuals to an asbestos hazard. In addition to BGE and Generation, numerous other parties are defendants in these cases.

To date, most asbestos claims which have been resolved relating to BGE and certain Constellation subsidiaries have been dismissed or resolved without any payment and a small minority of these cases has been resolved for amounts that were not material to BGE or Generation's financial results. Presently, there are an immaterial number of asbestos cases pending against BGE and certain Constellation subsidiaries.

***Continuous Power Interruption (Exelon and ComEd)***

Section 16-125 of the Illinois Public Utilities Act provides that in the event an electric utility, such as ComEd, experiences a continuous power interruption of four hours or more that affects (in ComEd's case) more than 30,000 customers, the utility may be liable for actual damages suffered by customers as a result of the interruption and may be responsible for reimbursement of local governmental emergency and contingency expenses incurred in connection with the interruption. Recovery of consequential damages is barred. The affected utility may seek from the ICC a waiver of these liabilities when the utility can show that the cause of the interruption was unpreventable damage due to weather events or conditions, customer tampering, or certain other causes enumerated in the law. As of June 30, 2017 and December 31, 2016, ComEd did not have any material liabilities recorded for these storm events.

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

***Baltimore City Franchise Taxes (Exelon and BGE)***

The City of Baltimore claims that BGE has maintained electric facilities in the City's public right-of-ways for over one hundred years without the proper franchise rights from the City. BGE has reviewed the City's claim and believes that it lacks merit. BGE has not recorded an accrual for payment of franchise fees for past periods as a range of loss, if any, cannot be reasonably estimated at this time. Franchise fees assessed in future periods may be material to BGE's results of operations and cash flows.

***Conduit Lease with City of Baltimore (Exelon and BGE)***

On September 23, 2015, the Baltimore City Board of Estimates approved an increase in annual rental fees for access to the Baltimore City underground conduit system effective November 1, 2015, from \$12 million to \$42 million, subject to an annual increase thereafter based on the Consumer Price Index. BGE subsequently entered into litigation with the City regarding the amount and basis for establishing the conduit fee. On November 30, 2016, the Baltimore City Board of Estimates approved a settlement agreement entered into between BGE and the City to resolve the disputes and pending litigation related to BGE's use of and payment for the underground conduit system. As a result of the settlement, the parties have entered into a six-year lease that reduces the annual expense to \$25 million in the first three years and caps the annual expense in the last three years to not more than \$29 million. BGE recorded a credit to Operating and maintenance expense in the fourth quarter of 2016 of approximately \$28 million for the reversal of the previously higher fees accrued in the current year as well as the settlement of prior year disputed fee true-up amounts.

***Deere Wind Energy Assets (Exelon and Generation)***

In 2013, Deere & Company ("Deere") filed a lawsuit against Generation in the Delaware Superior Court relating to Generation's acquisition of the Deere wind energy assets. Under the purchase agreement, Deere was entitled to receive earn-out payments if certain specific wind projects already under development in Michigan met certain development and construction milestones following the sale. In the complaint, Deere seeks to recover a \$14 million earn-out payment associated with one such project, which was never completed. Generation has filed counterclaims against Deere for breach of contract, with a right of recoupment and set off. On June 2, 2016, the Delaware Superior Court entered summary judgment in favor of Deere. On January 17, 2017, Generation filed an appeal of the Superior Court's summary judgment decision with the Supreme Court of Delaware. Generation has accrued an amount to cover its potential liability.

***City of Everett Tax Increment Financing Agreement (Exelon)***

The City of Everett has filed a petition with the Massachusetts Economic Assistance Coordinating Council (EACC) to revoke the 1999 tax increment financing agreement (TIF Agreement) relating to Mystic 8 & 9 on the grounds that the total investment in Mystic 8 & 9 materially deviates from the investment set forth in the TIF Agreement. The EACC has appointed a three-member panel to conduct an administrative hearing on the City's petition. Generation has reviewed the City's claim and believes that it lacks merit. Generation has not recorded an accrual for payment resulting from such a revocation because the range of loss, if any, cannot be reasonably estimated at this time. Property taxes assessed in future periods could be material to Generation's results of operations and cash flows.

***General (All Registrants)***

The Registrants are involved in various other litigation matters that are being defended and handled in the ordinary course of business. The assessment of whether a loss is probable or a reasonable possibility, and

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

whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events. The Registrants maintain accruals for such losses that are probable of being incurred and subject to reasonable estimation. Management is sometimes unable to estimate an amount or range of reasonably possible loss, particularly where (1) the damages sought are indeterminate, (2) the proceedings are in the early stages, or (3) the matters involve novel or unsettled legal theories. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution of such matters, including a possible eventual loss.

**Income Taxes (Exelon, Generation, ComEd, PECO and BGE)**

See Note 11 — Income Taxes for information regarding the Registrants' income tax refund claims and certain tax positions, including the 1999 sale of fossil generating assets.

**18. Supplemental Financial Information (All Registrants)**

*Supplemental Statement of Operations Information*

The following tables provide additional information about the Registrants' Consolidated Statements of Operations and Comprehensive Income for the three and six months ended June 30, 2017 and 2016.

	Three Months Ended June 30, 2017								
	Exelon	Generation	ComEd	PECO	BGE	Successor PHH	Pepco	DPL	ACE
Other, Net									
Decommissioning-related activities									
Net realized income on decommissioning trust funds (a)									
Regulatory agreement units	\$ 211	\$ 211	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Non-regulatory agreement units	74	74	—	—	—	—	—	—	—
Net unrealized (losses) gains on decommissioning trust funds									
Regulatory agreement units	(13)	(13)	—	—	—	—	—	—	—
Non-regulatory agreement units	70	70	—	—	—	—	—	—	—
Net unrealized losses on pledged assets									
Zion Station decommissioning	(2)	(2)	—	—	—	—	—	—	—
Regulatory offset to decommissioning trust fund-related activities (b)	(160)	(160)	—	—	—	—	—	—	—
Total decommissioning-related activities	180	180	—	—	—	—	—	—	—
Investment income	2	1	—	—	—	—	—	—	—
Interest expense related to uncertain income tax positions	1	—	—	—	—	—	—	—	—
Penalty related to uncertain income tax positions	(1)	—	—	—	—	—	—	—	—
AFUDC — Equity	17	—	2	2	4	9	5	2	2
Other	6	—	2	—	—	4	2	1	—
Other, net	\$ 205	\$ 181	\$ 4	\$ 2	\$ 4	\$ 13	\$ 7	\$ 3	\$ 2

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Commonwealth Edison Company

**Check ONE of the following three boxes:**

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity currently holding, or anticipated to hold within six months after City action on the contract, transaction or other undertaking to which this EDS pertains (referred to below as the "Matter"), a direct or indirect interest in excess of 7.5% in the Applicant. State the Applicant's legal name: \_\_\_\_\_

OR

3.  a legal entity with a direct or indirect right of control of the Applicant (see Section II(B)(1)) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party: 440 South LaSalle Street

Chicago, IL 60605

C. Telephone: c/o 312-394-3504 Fax: \_\_\_\_\_ Email: angel.perez@comed.com

D. Name of contact person: Angelita Perez

E. Federal Employer Identification No. (if you have one): \_\_\_\_\_

F. Brief description of the Matter to which this EDS pertains. (Include project number and location of property, if applicable):

Zoning Application for 2810-63 W. Addison; 3400-3558 N. California; 2800-2964 W. Roscoe; 3421-25 N. Elston; 3419-25 N. Whipple

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- Person
  - Publicly registered business corporation
  - Privately held business corporation
  - Sole proprietorship
  - General partnership
  - Limited partnership
  - Trust
  - Limited liability company
  - Limited liability partnership
  - Joint venture
  - Not-for-profit corporation
- (Is the not-for-profit corporation also a 501(c)(3))?  
 Yes       No
- Other (please specify)
- 

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

---

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes
- No
- Organized in Illinois

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles, if applicable, of: (i) all executive officers and all directors of the entity; (ii) **for not-for-profit corporations**, all members, if any, which are legal entities (if there are no such members, write "no members which are legal entities"); (iii) **for trusts, estates or other similar entities**, the trustee, executor, administrator, or similarly situated party; (iv) **for general or limited partnerships, limited liability companies, limited liability partnerships or joint ventures**, each general partner, managing member, manager or any other person or legal entity that directly or indirectly controls the day-to-day management of the Applicant.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Please see attached sheet.	

---



---

2. Please provide the following information concerning each person or legal entity having a direct or indirect, current or prospective (i.e. within 6 months after City action) beneficial interest (including ownership) in excess of 7.5% of the Applicant. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a

## **Commonwealth Edison Company**

### **Executive Officers**

Christopher M. Crane – Chairman

Denis P. O'Brien – Vice Chairman

Anne R. Pramaggiore – Chief Executive Officer and President

Terence R. Donnelly – Executive Vice President and Chief Operating Officer

Joseph R. Trpik Jr. – Senior Vice President, Chief Financial Officer and Treasurer

Val Jensen – Senior Vice President, Customer Operations

Veronica Gomez – Senior Vice President, Regulatory and Energy Policy and General Counsel

Fidel Marquez Jr. – Senior Vice President, Governmental and External Affairs

Timothy M. McGuire – Senior Vice President, Distribution Operations

Michelle M. Blaise -- Senior Vice President, Technical Services

Gerald J. Kozel – Vice President and Controller

### **Directors**

James W. Compton

Christopher M. Crane

A. Steven Crown

Nicholas DeBenedictis

Peter W. Fazio, Jr.

Michael M. Moskow

Denis P. O'Brien

Anne R. Pramaggiore

Jesse H. Ruiz

limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None."

**NOTE:** Each legal entity listed below may be required to submit an EDS on its own behalf.

Name	Business Address	Percentage Interest in the Applicant
Please see attached sheet.		

---

---

---

**SECTION III -- INCOME OR COMPENSATION TO, OR OWNERSHIP BY, CITY ELECTED OFFICIALS**

Has the Disclosing Party provided any income or compensation to any City elected official during the 12-month period preceding the date of this EDS?  Yes  No

Does the Disclosing Party reasonably expect to provide any income or compensation to any City elected official during the 12-month period following the date of this EDS?  Yes  No

If "yes" to either of the above, please identify below the name(s) of such City elected official(s) and describe such income or compensation:  
see attached statement

---

---

Does any City elected official or, to the best of the Disclosing Party's knowledge after reasonable inquiry, any City elected official's spouse or domestic partner, have a financial interest (as defined in Chapter 2-156 of the Municipal Code of Chicago ("MCC")) in the Disclosing Party?  
 Yes  No

If "yes," please identify below the name(s) of such City elected official(s) and/or spouse(s)/domestic partner(s) and describe the financial interest(s).

---

---

**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist (as defined in MCC Chapter 2-156), accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll. If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

**Section II-B-2 -- Legal entities with direct interest in Applicant**

Exelon Energy Delivery Company, LLC, 10 S. Dearborn St., 49th Floor, Chicago, IL 60603 holds a greater than 99% direct interest in the Applicant.

**Section III - Additional Information – Commonwealth Edison Company**

The Applicant and/or its affiliates may have engaged the law firm of Klafter & Burke for legal representation during the 12-month period preceding the date hereof and may do so during the 12-month period following the date hereof. Alderman Edward M. Burke is a principal of Klafter & Burke.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees ( <u>indicate whether paid or estimated.</u> ) <b>NOTE:</b> "hourly rate" or "t.b.d." is not an acceptable response.
Please see attached sheet.			

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under MCC Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes     No     No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes     No

**B. FURTHER CERTIFICATIONS**

1. [This paragraph 1 applies only if the Matter is a contract being handled by the City's Department of Procurement Services.] In the 5-year period preceding the date of this EDS, neither the Disclosing Party nor any Affiliated Entity [see definition in (5) below] has engaged, in connection with the performance of any public contract, the services of an integrity monitor, independent private sector inspector general, or integrity compliance consultant (i.e., an individual or entity with legal, auditing, investigative, or other similar skills, designated by a public agency to help the agency monitor the activity of specified agency vendors as well as help the vendors reform their business practices so they can be considered for agency contracts in the future, or continue with a contract in progress).

2. The Disclosing Party and its Affiliated Entities are not delinquent in the payment of any fine, fee, tax or other source of indebtedness owed to the City of Chicago, including, but not limited to, water and sewer charges, license fees, parking tickets, property taxes and sales taxes, nor is the Disclosing Party delinquent in the payment of any tax administered by the Illinois Department of Revenue.

**LOBBYIST AND CONSULTANT PARTIES RETAINED DIRECTLY BY APPLICANT**

<u>Name</u>	<u>Business Address</u>	<u>Relationship</u>	<u>Fees<sup>1</sup></u>
Solomon Cordwell Buenz	625 N. Michigan Avenue Chicago, IL 60611	Architect	\$25,000 Estimated
John J. George Akerman, LLP	71 S. Wacker Drive, 46 <sup>th</sup> Floor Chicago, IL 60606	Attorneys	\$20,000 Estimated
Jones Lang LaSalle	566 W. Lake St., Suite 310 Chicago, IL 60661	Project Consultant	\$10,000 Estimated
Christopher B. Burke Engineering, LTD	9575 West Higgins Road, Suite 600 Rosemont, IL 60018	Traffic Engineer	\$2,500 Estimated

---

<sup>1</sup> Approximate fees based on estimated time expended or to be expended in meetings with City of Chicago representatives or public hearings.

3. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II(B)(1) of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, during the 5 years before the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in subparagraph (b) above;
- d. have not, during the 5 years before the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, during the 5 years before the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

4. The Disclosing Party understands and shall comply with the applicable requirements of MCC Chapters 2-56 (Inspector General) and 2-156 (Governmental Ethics).

5. Certifications (5), (6) and (7) concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity). Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity. With respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor, nor any Agents have, during the 5 years before the date of this EDS, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the 5 years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
  - b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
  - c. made an admission of such conduct described in subparagraph (a) or (b) above that is a matter of record, but have not been prosecuted for such conduct; or
  - d. violated the provisions referenced in MCC Subsection 2-92-320(a)(4)(Contracts Requiring a Base Wage); (a)(5)(Debarment Regulations); or (a)(6)(Minimum Wage Ordinance).
6. Neither the Disclosing Party, nor any Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.
7. Neither the Disclosing Party nor any Affiliated Entity is listed on a Sanctions List maintained by the United States Department of Commerce, State, or Treasury, or any successor federal agency.
8. [FOR APPLICANT ONLY] (i) Neither the Applicant nor any "controlling person" [see MCC Chapter 1-23, Article I for applicability and defined terms] of the Applicant is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any "sister agency"; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If MCC Chapter 1-23, Article I applies to the Applicant, that Article's permanent compliance timeframe supersedes 5-year compliance timeframes in this Section V.
9. [FOR APPLICANT ONLY] The Applicant and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed as having an active exclusion by the U.S. EPA on the federal System for Award Management ("SAM").
10. [FOR APPLICANT ONLY] The Applicant will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in Certifications (2) and (9) above and will not, without the prior written consent of the City, use any such

contractor/subcontractor that does not provide such certifications or that the Applicant has reason to believe has not provided or cannot provide truthful certifications.

11. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:  
see attached explanation

---

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

12. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").  
none - see attached explanation

---

---

13. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$25 per recipient, or (iii) a political contribution otherwise duly reported as required by law (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.  
none - see attached explanation

---

---

### C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)  
 is  is not

a "financial institution" as defined in MCC Section 2-32-455(b).

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in MCC Chapter 2-32. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in MCC Chapter 2-32. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in MCC Section 2-32-455(b)) is a predatory lender within the meaning of MCC Chapter 2-32, explain here (attach additional pages if necessary):

---

---

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING FINANCIAL INTEREST IN CITY BUSINESS**

Any words or terms defined in MCC Chapter 2-156 have the same meanings if used in this Part D.

1. In accordance with MCC Section 2-156-110: To the best of the Disclosing Party's knowledge after reasonable inquiry, does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes                       No

NOTE: If you checked "Yes" to Item D(1), proceed to Items D(2) and D(3). If you checked "No" to Item D(1), skip Items D(2) and D(3) and proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes                       No

3. If you checked "Yes" to Item D(1), provide the names and business addresses of the City officials or employees having such financial interest and identify the nature of the financial interest:

Name	Business Address	Nature of Financial Interest
------	------------------	------------------------------

---

---

---

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either (1) or (2) below. If the Disclosing Party checks (2), the Disclosing Party must disclose below or in an attachment to this EDS all information required by (2). Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

  x   1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

       2. The Disclosing Party verifies that, as a result of conducting the search in step (1) above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

---

---

---

**SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS**

**NOTE: If the Matter is federally funded**, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.  
(This matter is not federally funded.)

**A. CERTIFICATION REGARDING LOBBYING**

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995, as amended, who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

---

---

---

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995, as amended, have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in paragraph A(1) above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee

of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A(1) and A(2) above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities," as that term is defined in the Lobbying Disclosure Act of 1995, as amended.

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A(1) through A(4) above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

#### B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes

No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes

No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes

No

Reports not required

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes

No

If you checked "No" to question (1) or (2) above, please provide an explanation:

---

---

## SECTION VII -- FURTHER ACKNOWLEDGMENTS AND CERTIFICATION

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics Ordinance, MCC Chapter 2-156, imposes certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of this ordinance and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with this ordinance.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other City transactions. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided in, and appended to, this EDS may be made publicly available on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to MCC Chapter 1-23, Article I (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by MCC Chapter 1-23 and Section 2-154-020.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS, and Appendices A and B (if applicable), on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS, and Appendices A and B (if applicable), are true, accurate and complete as of the date furnished to the City.

Commonwealth Edison Company

(Print or type exact legal name of Disclosing Party)

By: James Sykorq  
(Sign here)

James Sykorq

(Print or type name of person signing)

Manager, Real Estate

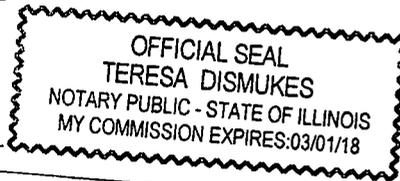
(Print or type title of person signing)

Signed and sworn to before me on (date) 31st of October 2017

at DuPage County, Illinois (state).

Teresa Dismukes  
Notary Public

Commission expires: 03-01-18



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS  
AND DEPARTMENT HEADS**

**This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5%. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.**

Under MCC Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5% ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes                       No    see attached comment

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

---

---

---

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX B**

**BUILDING CODE SCOFFLAW/PROBLEM LANDLORD CERTIFICATION**

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5% (an "Owner"). It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

1. Pursuant to MCC Section 2-154-010, is the Applicant or any Owner identified as a building code scofflaw or problem landlord pursuant to MCC Section 2-92-416?

Yes                       No

2. If the Applicant is a legal entity publicly traded on any exchange, is any officer or director of the Applicant identified as a building code scofflaw or problem landlord pursuant to MCC Section 2-92-416?

Yes                       No                       The Applicant is not publicly traded on any exchange.

3. If yes to (1) or (2) above, please identify below the name of each person or legal entity identified as a building code scofflaw or problem landlord and the address of each building or buildings to which the pertinent code violations apply.

---

---

---

### **Response to question 11 -- Comments on Section V-B Further Certifications**

V-B-1: This certification does not apply to the Disclosing Party as the Matter is not a contract being handled by the City's Department of Procurement Services.

V-B-2: The Disclosing Party, to the best of its knowledge, certifies that it is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, except for taxes that are being contested in good faith in applicable legal proceedings (whether judicial or administrative). To the best of the knowledge of the Disclosing Party, neither the Disclosing Party nor its Affiliated Entities are delinquent in paying any fine, fee, tax or other source of indebtedness owed to the City of Chicago ("Debts") except for Debts which are being contested in good faith in applicable legal proceedings.

Representatives and agents of the Disclosing Party and its Affiliated Entities meet with City representatives or other receive information from the City on a monthly or other regular basis to identify outstanding Debts duly payable by the Disclosing Party and its Affiliated Entities and any such Debts are settled accordingly.

V-B-3-a: Disclosing Party certifies to this Statement to the best of its knowledge.

V-B-3-b, c and e and V-B-5-a, b and c: The Disclosing Party is routinely involved in litigation in various state and federal courts. With nearly 30,000 full-time equivalent employees, such a large business presence and a wide variety of activities subject to complex and extensive regulatory frameworks at the local, state, and federal levels, it is not possible for the Disclosing Party and its Affiliated Entities to perform due diligence across the full panoply of associates in preparing the Disclosing Party's response and it is possible that allegations or findings of civil or criminal liability, as well as the termination of one or more transactions for various reasons may have arisen and pertain to or be the subject of matters covered in these certifications. The Disclosing Party (including with respect to those persons identified in Section II(B)(1) who are employed by the Disclosing Party) makes all required disclosures in the Forms 10-K, 10-Q and 8-K (filed by its parent corporation, the Exelon Corporation, with the Securities and Exchange Commission) and in the Annual Report of its parent corporation as posted on its website. These filings include disclosures of investigations and litigation as required by the securities regulatory organizations and federal law, and are publicly available (a copy of the "Environmental Remediation Matters" or "Environmental Issues" and "Litigation and Regulatory Matters" portions of the Forms 10-K and 10-Q filed by the Disclosing Party's parent corporation for calendar year 2016 and the first and second quarters of 2017 are attached). The Disclosing Party cannot confirm or deny the existence of any other non-public investigation conducted by any governmental agency unless required to do so by law. With respect to those persons identified in Section II(B)(1) who are not employed by the Disclosing Party (such as independent directors), such persons are involved in a wide variety of business, charitable, social and other activities and transactions independent of their activities on behalf of the Disclosing Party and the Disclosing Party cannot further certify. As for any unrelated Contractor, Affiliated Entity or such Contractors or Agents of either ("Unrelated Entities"), however, the Disclosing Party certifies that with respect to the Matter it has not and will not knowingly hire, without disclosure to the City of Chicago, any Unrelated Entities who are unable to certify to such statements and the Disclosing Party cannot further certify as to the Unrelated Entities. It is the Disclosing Party's policy to diligently investigate any

allegations relevant to the requested certifications, promptly resolve any allegations or findings and at all times comply in good faith with all applicable legal requirements.

V-B-3-d: The Disclosing Party performed due diligence within the Governmental and External Affairs department of the Disclosing Party ("Governmental Group") to determine whether any Governmental Group employees were aware of any public transactions (federal, state or local) having been terminated for cause or default within the last five years, and none of such employees were aware of any such transactions.

V-B-5 and 6: Please note that our responses are on behalf of the Disclosing Party and its Affiliated Entities only and not on behalf of any Contractors.

V-B-5-d, 6 and 7: Disclosing Party certifies to this Statement to the best of its knowledge.

V-10: Disclosing Party certifies this Statement only as to any third parties directly retained by Applicant in connection with the Matter.

#### **Comment on Section V-B-12 Certification**

V-B-12: To the best of Disclosing Party's knowledge after reasonable inquiry, none of the persons identified in Section II(B)(1) of this EDS were employees, or elected or appointed officials of the City of Chicago during the period of October 16, 2016 through October 16, 2017. The Disclosing Party has approximately 6,000 full-time equivalent employees and is unaware of any particular employee having been a City of Chicago employee or elected or appointed official during the time period previously described, but did not, for its new hires during the period of October 16, 2016 through October 16, 2017, collect data on immediately preceding employment by the City of Chicago or status of a new hire as an elected or appointed official of the City of Chicago.

#### **Comment on Section V-B-13 Certification**

V-B-13: The Disclosing Party certifies to the best of its knowledge that there have been no gifts within the prior 12 months to an employee, or elected or appointed official of the City of Chicago.

#### **Comment on Appendix A -- Familiar Relationships**

To the best of Disclosing Party's knowledge after reasonable inquiry, none of the Disclosing Party's "Applicable Parties" or any Spouses or Domestic Partners thereof currently have a "familial relationship" with an elected city official or department head.

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

settlement agreement providing for the reimbursement of SNF storage costs incurred through December 31, 2016. Generation expects the terms for each of the settlement agreements to be extended during 2017 for another three years to cover SNF storage costs through December 31, 2019. Generation, including CENG, submits annual reimbursement requests to the DOE for costs associated with the storage of SNF. In all cases, reimbursement requests are made only after costs are incurred and only for costs resulting from DOE delays in accepting the SNF.

Under the settlement agreement, Generation has received cumulative cash reimbursements for costs incurred as follows:

	<u>Total</u>	<u>Net (a)</u>
Cumulative cash reimbursements (b)	\$1,038	\$887

(a) Total after considering amounts due to co-owners of certain nuclear stations and to the former owner of Oyster Creek.

(b) Includes \$53 million and \$49 million, respectively, for amounts received since April 1, 2014, for costs incurred under the CENG DOE Settlement Agreements prior to the consolidation of CENG.

As of December 31, 2016, and 2015, the amount of SNF storage costs for which reimbursement has been or will be requested from the DOE under the DOE settlement agreements is as follows:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
DOE receivable—current (a)	\$ 109	\$ 76
DOE receivable—noncurrent (b)	15	14
Amounts owed to co-owners (a)(c)	(13)	(5)

(a) Recorded in Accounts receivable, other.

(b) Recorded in Deferred debits and other assets, other

(c) Non-CENG amounts owed to co-owners are recorded in Accounts receivable, other. CENG amounts owed to co-owners are recorded in Accounts payable. Represents amounts owed to the co-owners of Peach Bottom, Quad Cities, and Nine Mile Point Unit 2 generating facilities.

The Standard Contracts with the DOE also required the payment to the DOE of a one-time fee applicable to nuclear generation through April 6, 1983. The fee related to the former PECO units has been paid. Pursuant to the Standard Contracts, ComEd previously elected to defer payment of the one-time fee of \$277 million for its units (which are now part of Generation), with interest to the date of payment, until just prior to the first delivery of SNF to the DOE. As of December 31, 2016, the unfunded SNF liability for the one-time fee with interest was \$1,024 million. Interest accrues at the 13-week Treasury Rate. The 13-week Treasury Rate in effect, for calculation of the interest accrual at December 31, 2016, was 0.355%. The liabilities for SNF disposal costs, including the one-time fee, were transferred to Generation as part of Exelon's 2001 corporate restructuring. The outstanding one-time fee obligations for the Nine Mile Point, Ginna, Oyster Creek and TMI units remain with the former owners. The Clinton and Calvert Cliffs units have no outstanding obligation. See Note 12—Fair Value of Financial Assets and Liabilities for additional information.

**Environmental Remediation Matters**

**General.** The Registrants' operations have in the past, and may in the future, require substantial expenditures in order to comply with environmental laws. Additionally, under Federal and state environmental laws, the Registrants are generally liable for the costs of remediating environmental contamination of property now or formerly owned by them and of property contaminated by hazardous substances generated by them. The Registrants own or lease a number of real estate parcels,

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

including parcels on which their operations or the operations of others may have resulted in contamination by substances that are considered hazardous under environmental laws. In addition, the Registrants are currently involved in a number of proceedings relating to sites where hazardous substances have been deposited and may be subject to additional proceedings in the future.

ComEd, PECO, BGE, and DPL have identified sites where former MGP activities have or may have resulted in actual site contamination. For almost all of these sites, there are additional PRPs that may share responsibility for the ultimate remediation of each location.

- ComEd has identified 42 sites, 18 of which have been remediated and approved by the Illinois EPA or the U.S. EPA and 24 that are currently under some degree of active study and/or remediation. ComEd expects the majority of the remediation at these sites to continue through at least 2021.
- PECO has identified 26 sites, 17 of which have been remediated in accordance with applicable PA DEP regulatory requirements. The remaining 9 sites are currently under some degree of active study and/or remediation. PECO expects the majority of the remediation at these sites to continue through at least 2022.
- BGE has identified 13 former gas manufacturing or purification sites that it currently owns or owned at one time through a predecessor's acquisition. Two gas manufacturing sites require some level of remediation and ongoing monitoring under the direction of the MDE. The required costs at these 2 sites are not considered material. An investigation of an additional gas purification site was completed during the first quarter of 2015 at the direction of the MDE. For more information, see the discussion of the Riverside site below.
- DPL has identified 2 sites, all of which the remediation has been completed and approved by the MDE or the Delaware Department of Natural Resources and Environmental Control.

ComEd, pursuant to an ICC order, and PECO, pursuant to settlements of natural gas distribution rate cases with the PAPUC, are currently recovering environmental remediation costs of former MGP facility sites through customer rates. See Note 3—Regulatory Matters for additional information regarding the associated regulatory assets. BGE is authorized to recover, and is currently recovering, environmental costs for the remediation of the former MGP facility sites from customers; however, while BGE does not have a rider for MGP clean-up costs, BGE has historically received recovery of actual clean-up costs in distribution rates. DPL has historically received recovery of actual clean-up costs in distribution rates.

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

As of December 31, 2016 and 2015, the Registrants had accrued the following undiscounted amounts for environmental liabilities in Other current liabilities and Other deferred credits and other liabilities within their respective Consolidated Balance Sheets:

<u>December 31, 2016</u>	<u>Total environmental investigation and remediation reserve</u>	<u>Portion of total related to MGP investigation and remediation (a)</u>
Exelon	\$ 429	\$ 325
Generation	72	—
ComEd	292	291
PECO	33	31
BGE (a)	2	2
PHI	30	1
Pepco	27	—
DPL	2	1
ACE	1	—

<u>December 31, 2015</u>	<u>Total environmental investigation and remediation reserve</u>	<u>Portion of total related to MGP investigation and remediation</u>
Exelon	\$ 369	\$ 301
Generation	63	—
ComEd	266	264
PECO	37	35
BGE	3	2
PHI (Predecessor)	33	1
Pepco	24	—
DPL	3	1
ACE	1	—

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

During the third quarter of 2016, ComEd and PECO completed an annual study of their future estimated MGP remediation requirements. The results of the study resulted in a \$7 million and \$2 million increase to environmental liabilities and related regulatory assets for ComEd and PECO, respectively.

The Registrants cannot reasonably estimate whether they will incur other significant liabilities for additional investigation and remediation costs at these or additional sites identified by the Registrants, environmental agencies or others, or whether such costs will be recoverable from third parties, including customers.

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

**Water Quality**

**Benning Road Site NPDES Permit Limit Exceedances** . Pepco holds an NPDES permit issued by EPA with a July 19, 2009 effective date, which authorizes discharges from the Benning Road service facility. The 2009 permit for the first time imposed numerical limits on the allowable concentration of certain metals in storm water discharged from the site into the Anacostia River. The permit contemplated that Pepco would meet these limits over time through the use of best management practices (BMPs). The BMPs were effective in reducing metal concentrations in storm water discharges, but were not sufficient to meet all of the numerical limits for all metals.

The 2009 permit remains in effect pending EPA's action on the Pepco renewal application, including resolution of the stormwater compliance issues. On October 30, 2015, EPA filed a Clean Water Act civil enforcement action against Pepco in federal district court, and in March 2016 the court granted a motion by the Anacostia Riverkeeper to intervene in this case as a plaintiff along with EPA. Since 2009 Pepco has installed runoff mitigation measures and implemented new operating procedures to comply with regulations. In January 2017, the parties agreed to a settlement in the form of a Consent Decree whereby Pepco will pay a civil penalty in the amount of \$1.6 million, continue the BMPs to manage stormwater, construct a new stormwater treatment system, and make certain other capital improvements to the stormwater management system. The Consent Decree has been lodged with the Court and will be subject to a 30-day public comment period. It is expected that the Court will approve the Consent Decree in the first quarter of 2017. Pepco has established appropriate reserves for the liabilities under the Consent Agreement, which is included in the table above.

**Solid and Hazardous Waste**

**Cotter Corporation**. The EPA has advised Cotter Corporation (Cotter), a former ComEd subsidiary, that it is potentially liable in connection with radiological contamination at a site known as the West Lake Landfill in Missouri. In 2000, ComEd sold Cotter to an unaffiliated third-party. As part of the sale, ComEd agreed to indemnify Cotter for any liability arising in connection with the West Lake Landfill. In connection with Exelon's 2001 corporate restructuring, this responsibility to indemnify Cotter was transferred to Generation. On May 29, 2008, the EPA issued a Record of Decision approving the remediation option submitted by Cotter and the two other PRPs that required additional landfill cover. The current estimated cost of the landfill cover remediation for the site is approximately \$90 million including escalation, which will be allocated among all PRPs. Generation has accrued what it believes to be an adequate amount to cover its anticipated share of such liability, which is included in the table above. By letter dated January 11, 2010, the EPA requested that the PRPs perform a supplemental feasibility study for a remediation alternative that would involve complete excavation of the radiological contamination. On September 30, 2011, the PRPs submitted the supplemental feasibility study to the EPA for review. Since June 2012, the EPA has requested that the PRPs perform a series of additional analyses and groundwater and soil sampling as part of the supplemental feasibility study. The final supplemental feasibility study was completed in December of 2016 and will enable the EPA to propose a remedy for public comment. While the EPA has not yet formally announced a change in the schedule, the PRPs believe that the EPA announcement of the proposed remedy will take place in the third quarter of 2017 at the earliest. Thereafter, the EPA will select a final remedy and enter into a Consent Decree with the PRPs to effectuate the remedy. Recent investigation has identified a number of other parties who may be PRPs and could be liable to contribute to the final remedy. Further investigation is underway. Generation believes that a partial excavation remedy is reasonably possible, and the partial excavation costs, inclusive of a landfill cover, could range from approximately \$225 million to \$650 million; such costs would likely be shared by the final group of identified PRPs.

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

Generation believes the likelihood that the EPA would require a complete excavation remedy is remote. The cost of a partial or complete excavation could have a material, unfavorable impact on Generation's and Exelon's future results of operations and cash flows.

During December 2015, the EPA took two actions related to the West Lake Landfill designed to abate what it termed as imminent and dangerous conditions at the landfill. The first involved installation by the PRPs of a non-combustible surface cover to protect against surface fires in areas where radiological materials are believed to have been disposed. Generation has accrued what it believes to be an adequate amount to cover its anticipated liability for this interim action. The second action involved EPA's public statement that it will require the PRPs to construct a barrier wall in an adjacent landfill to prevent a subsurface fire from spreading to those areas of the West Lake Landfill where radiological materials are believed to have been disposed. At this time, EPA has not provided sufficient details related to the basis for and the requirements and design of a barrier wall to enable Generation to determine the likelihood such a remedy will ultimately be implemented, assess the degree to which Generation may have liability as a potentially responsible party, or develop a reasonable estimate of the potential incremental costs. It is reasonably possible, however, that resolution of this matter could have a material, unfavorable impact on Generation's and Exelon's future results of operations and cash flows. Finally, one of the other PRP's, the landfill owner and operator of the adjacent landfill, has indicated that it will be making a contribution claim against Cotter for costs that it has incurred to prevent the subsurface fire from spreading to those areas of the West Lake Landfill where radiological materials are believed to have been disposed. At this time, Generation and Exelon do not possess sufficient information to assess this claim and are therefore unable to determine the impact on their future results of operations and cash flows.

On February 2, 2016, the U.S. Senate passed a bill to transfer remediation authority over the West Lake Landfill from the EPA to the U.S. Army Corps of Engineers, under the Formerly Utilized Sites Remedial Action Program (FUSRAP). Such legislation would become final upon passage in the U.S. House of Representatives and the signature of the President, and be subject to annual funding appropriations in the U.S. Budget. The legislation has not passed in the House. Remediation under FUSRAP would not alter the liability of the PRPs, but could delay the determination of a final remedy and its implementation.

On August 8, 2011, Cotter was notified by the DOJ that Cotter is considered a PRP with respect to the government's clean-up costs for contamination attributable to low level radioactive residues at a former storage and reprocessing facility named Latty Avenue near St. Louis, Missouri. The Latty Avenue site is included in ComEd's indemnification responsibilities discussed above as part of the sale of Cotter. The radioactive residues had been generated initially in connection with the processing of uranium ores as part of the U.S. government's Manhattan Project. Cotter purchased the residues in 1969 for initial processing at the Latty Avenue facility for the subsequent extraction of uranium and metals. In 1976, the NRC found that the Latty Avenue site had radiation levels exceeding NRC criteria for decontamination of land areas. Latty Avenue was investigated and remediated by the United States Army Corps of Engineers pursuant to funding under the FUSRAP. The DOJ has not yet formally advised the PRPs of the amount that it is seeking, but it is believed to be approximately \$90 million. The DOJ and the PRPs agreed to toll the statute of limitations until August 2017 so that settlement discussions could proceed. Based on Generation's preliminary review, it appears probable that Generation has liability to Cotter under the indemnification agreement and has established an appropriate accrual for this liability, which is included in the table above.

Commencing in February 2012, a number of lawsuits have been filed in the U.S. District Court for the Eastern District of Missouri. Among the defendants were Exelon, Generation and ComEd, all of

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

which were subsequently dismissed from the case, as well as Cotter, which remains a defendant. The suits allege that individuals living in the North St. Louis area developed some form of cancer or other serious illness due to Cotter's negligent or reckless conduct in processing, transporting, storing, handling and/or disposing of radioactive materials. Plaintiffs are asserting public liability claims under the Price-Anderson Act. Their state law claims for negligence, strict liability, emotional distress, and medical monitoring have been dismissed. The complaints do not contain specific damage claims. In the event of a finding of liability against Cotter, it is reasonably possible that Exelon would be financially responsible due to its indemnification responsibilities of Cotter described above. The court has dismissed a number of lawsuits, and is expected to dismiss additional lawsuits based on a recent ruling. Pre-trial motions and discovery are proceeding in the remaining cases and a pre-trial scheduling order has been filed with the court. At this stage of the litigation, Generation and ComEd cannot estimate a range of loss, if any.

**68th Street Dump.** In 1999, the U.S. EPA proposed to add the 68th Street Dump in Baltimore, Maryland to the Superfund National Priorities List, and notified BGE and 19 others that they are PRPs at the site. In connection with BGE's 2000 corporate restructuring the responsibility for this liability was transferred to Constellation and as a result of the 2012 Exelon and CEG merger is now Generation's responsibility. In March 2004, the PRPs formed the 68th Street Coalition and entered into consent order negotiations with the U.S. EPA to investigate clean-up options for the site under the Superfund Alternative Sites Program. In May 2006, a settlement among the U.S. EPA and the PRPs with respect to investigation of the site became effective. The settlement requires the PRPs, over the course of several years, to identify contamination at the site and recommend clean-up options. The PRPs submitted their investigation of the range of clean-up options in the first quarter of 2011. Although the investigation and options provided to the U.S. EPA are still subject to U.S. EPA review and selection of a remedy, the range of estimated clean-up costs to be allocated among all of the PRPs is in the range of \$50 million to \$64 million. On September 30, 2013, U.S. EPA issued the Record of Decision identifying its preferred remedial alternative for the site. The estimated cost for the alternative chosen by U.S. EPA is consistent with the PRPs' estimated range of costs noted above. Based on Generation's preliminary review, it appears probable that Generation has liability and has established an appropriate accrual for its share of the estimated clean-up costs.

**Rossville Ash Site.** The Rossville Ash Site is a 32-acre property located in Rosedale, Baltimore County, Maryland, which was used for the placement of fly ash from 1983-2007. The property is owned by Constellation Power Source Generation, LLC (CPSG), a wholly-owned subsidiary of Generation. In 2008, CPSG investigated and remediated the property by entering it into the Maryland Voluntary Cleanup Program (VCP) to address any historic environmental concerns and ready the site for appropriate future redevelopment. The site was accepted into the program in 2010 and is currently going through the process to remediate the site and receive closure from MDE. Exelon currently estimates the cost to close the site to be approximately \$4 million, which has been fully reserved as of December 31, 2016 and is included in the table above.

**Sauer Dump.** On May 30, 2012, BGE was notified by the U.S. EPA that it is considered a PRP at the Sauer Dump Superfund site in Dundalk, Maryland. The U.S. EPA offered BGE and three other PRPs the opportunity to conduct an environmental investigation and present cleanup recommendations at the site. In addition, the U.S. EPA is seeking recovery from the PRPs of \$1.7 million for past cleanup and investigation costs at the site. On March 11, 2013, BGE and three other PRPs signed an Administrative Settlement Agreement and Order on Consent with the U.S. EPA which requires the PRPs to conduct a remedial investigation and feasibility study at the site to determine what, if any, are the appropriate and recommended cleanup activities for the site. The ultimate outcome of this proceeding is uncertain. Since the U.S. EPA has not selected a cleanup

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

remedy and the allocation of the cleanup costs among the PRPs has not been determined, an estimate of the range of BGE's reasonably possible loss, if any, cannot be determined. It is possible, however, that resolution of this matter could have a material, unfavorable impact on Exelon's and BGE's future results of operations and cash flows.

**Riverside.** In 2013, the MDE, at the request of EPA, conducted a site inspection and limited environmental sampling of certain portions of the 170 acre Riverside property owned by BGE. The site consists of several different parcels with different current and historical uses. The sampling included soil and groundwater samples for a number of potential environmental contaminants. The sampling confirmed the existence of contaminants consistent with the known historical uses of the various portions of the site. In March 2014, the MDE requested that BGE conduct an investigation which included a site-wide investigation of soils, sediment, groundwater, and surface water to complement the MDE sampling. The field investigation was completed in January 2015, and a final report was provided to MDE on June 2, 2015. On November 3, 2015, MDE provided BGE with its comments and recommendations on the report which require BGE to conduct further investigation and sampling at the site to better delineate the nature and extent of historic contamination, including off-site sediment and soil sampling. MDE did not request any interim remediation at this time and BGE anticipates completing the additional work requested by the end of the first quarter of 2017. BGE has established what it believes is an appropriate reserve based upon the investigation to date. The established reserve is included in the table above. As the investigation and potential remediation proceed, it is possible that resolution of this matter could have a material, unfavorable impact on Exelon's and BGE's future results of operations and cash flows.

**Benning Road Site.** In September 2010, PHI received a letter from EPA identifying the Benning Road site as one of six land-based sites potentially contributing to contamination of the lower Anacostia River. A portion of the site was formerly the location of a Pepco Energy Services electric generating facility. That generating facility was deactivated in June 2012 and plant structure demolition was completed in July 2015. The remaining portion of the site consists of a Pepco transmission and distribution service center that remains in operation. In December 2011, the U.S. District Court for the District of Columbia approved a consent decree entered into by Pepco and Pepco Energy Services with the DOEE, which requires Pepco and Pepco Energy Services to conduct a RI/FS for the Benning Road site and an approximately 10 to 15 acre portion of the adjacent Anacostia River. The RI/FS will form the basis for the remedial actions for the Benning Road site and for the Anacostia River sediment associated with the site. The consent decree does not obligate Pepco or Pepco Energy Services to pay for or perform any remediation work, but it is anticipated that DOEE will look to Pepco and Pepco Energy Services to assume responsibility for cleanup of any conditions in the river that are determined to be attributable to past activities at the Benning Road site.

The initial RI field work began in January 2013 and was completed in December 2014. In April 2015, Pepco and Pepco Energy Services submitted a draft RI Report to DOEE. After review, DOEE determined that additional field investigation and data analysis was required to complete the RI process (much of which was beyond the scope of the original DOEE-approved RI work plan). In the meantime, Pepco and Pepco Energy Services revised the draft RI Report to address DOEE's comments and DOEE released the draft RI Report for public review in February 2016. Once the additional RI work has been completed, Pepco and Pepco Energy Services will issue a draft "final" RI report for review and comment by DOEE and the public. Pepco and Pepco Energy Services will then proceed to develop an FS to evaluate possible remedial alternatives for submission to DOEE.

Upon DOEE's approval of the final remedial investigation and feasibility study Reports, Pepco and Pepco Energy Services will have satisfied their obligations under the consent decree. At that point,

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

DOEE will prepare a Proposed Plan regarding further response actions. After considering public comment on the Proposed Plan, DOEE will issue a Record of Decision identifying any further response actions determined to be necessary.

PHI, Pepco and Pepco Energy Services have determined that a loss associated with this matter for PHI, Pepco and Pepco Energy Services is probable and an estimated liability for this issue has been accrued, which is included in the table above. As the remedial investigation proceeds and potential remedies are identified, it is possible that additional reserves could be established in amounts that could be material to PHI, Pepco and Pepco Energy Services. Pursuant to Exelon's March 2016 acquisition of PHI, Pepco Energy Services was transferred to Generation. The ultimate resolution of this matter is currently not expected to have any significant financial impact on Generation.

**Anacostia River Tidal Reach .** Contemporaneous with the Benning RI/FS being performed by Pepco and Pepco Energy Services, DOEE and certain federal agencies have been conducting a separate RI/FS focused on the entire tidal reach of the Anacostia River extending from just north of the Maryland-D.C. boundary line to the confluence of the Anacostia and Potomac Rivers. In March 2016, DOEE released a draft of the river-wide RI Report for public review and comment. The river-wide RI incorporated the results of the river sampling performed by Pepco and Pepco Energy Services as part of the Benning RI/FS, as well as similar sampling efforts conducted by owners of other sites adjacent to this segment of the river and supplemental river sampling conducted by DOEE's contractor. DOEE asked Pepco, along with parties responsible for other sites along the river, to participate in a "Consultative Working Group" to provide input into the process for future remedial actions addressing the entire tidal reach of the river and to ensure proper coordination with the other river cleanup efforts currently underway, including cleanup of the river segment adjacent to the Benning Road site resulting from the Benning Road RI/FS. Pepco responded that it will participate in the Consultative Working Group but its participation is not an acceptance of any financial responsibility beyond the work that will be performed at the Benning Road site described above. DOEE has advised the Consultative Working Group that the federal and DOEE authorities are conducting phase 2 of a remedial investigation. DOEE has targeted June 2018 as the date for remedy selection for clean-up of sediments in this section of the river. The Consultative Working Group and the other possible PRPs have provided input into the proposed clean-up process and schedule. At this time, it is not possible to predict the extent of Pepco's participation in the river-wide RI/FS process, and Pepco cannot estimate the reasonably possible range of loss for response costs beyond those associated with the Benning RI/FS component of the river-wide initiative. It is possible, however, that resolution of this matter could have a material, unfavorable impact on Exelon's and Pepco's future results of operations and cash flows.

**Conectiv Energy Wholesale Power Generation Sites.** In July 2010, PHI sold the wholesale power generation business of Conectiv Energy Holdings, Inc. and substantially all of its subsidiaries (Conectiv Energy) to Calpine Corporation (Calpine). Under New Jersey's Industrial Site Recovery Act (ISRA), the transfer of ownership triggered an obligation on the part of Conectiv Energy to remediate any environmental contamination at each of the nine Conectiv Energy generating facility sites located in New Jersey. Under the terms of the sale, Calpine has assumed responsibility for performing the ISRA-required remediation and for the payment of all related ISRA compliance costs up to \$10 million. PHI is obligated to indemnify Calpine for any ISRA compliance remediation costs in excess of \$10 million. According to PHI's estimates, the costs of ISRA-required remediation activities at the nine generating facility sites located in New Jersey are in the range of approximately \$7 million to \$18 million, and PHI has established an appropriate accrual for its share of the estimated clean-up costs, which is included in the table above. Pursuant to Exelon's March 2016 acquisition of PHI, Conectiv Energy was transferred to Generation, however, the responsibility to indemnify Calpine remained at PHI. The ultimate resolution of this matter is currently not expected to have any significant financial impact on PHI.

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

**Rock Creek Mineral Oil Release.** In late August 2015, a Pepco underground transmission line in the District of Columbia suffered a breach, resulting in the release of non-toxic mineral oil surrounding the transmission line into the surrounding soil, and a small amount reached Rock Creek through a storm drain. Pepco notified regulatory authorities, and Pepco and its spill response contractors placed booms in Rock Creek, blocked the storm drain to prevent the release of mineral oil into the creek and commenced remediation of soil around the transmission line and the Rock Creek shoreline. Pepco estimates that approximately 6,100 gallons of mineral oil were released and that its remediation efforts recovered approximately 80% of the amount released. Pepco's remediation efforts are ongoing under the direction of the DOEE, including the requirements of a February 29, 2016 compliance order which requires Pepco to prepare a full incident investigation report and prepare a removal action work plan to remove all impacted soils in the vicinity of the storm drain outfall, and in collaboration with the National Park Service, the Smithsonian Institution/National Zoo and EPA. Pepco's investigation presently indicates that the damage to Pepco's facilities occurred prior to the release of mineral oil when third-party excavators struck the Pepco underground transmission line while installing cable for another utility.

To the extent recovery is available against any party who contributed to this loss, PHI and Pepco will pursue such action. Exelon, PHI and Pepco continue to investigate the cause of the incident, the parties involved, and legal responsibility under District of Columbia law, but do not believe that the remediation costs to resolve this matter will have a material adverse effect on their respective financial condition, results of operations or cash flows.

**Brandywine Fly Ash Disposal Site.** In February 2013, Pepco received a letter from the MDE requesting that Pepco investigate the extent of waste on a Pepco right-of-way that traverses the Brandywine fly ash disposal site in Brandywine, Prince George's County, Maryland, owned by NRG Energy, Inc. (as successor to GenOn MD Ash Management, LLC) (NRG). In July 2013, while reserving its rights and related defenses under a 2000 agreement covering the sale of this site, Pepco indicated its willingness to investigate the extent of, and propose an appropriate closure plan to address, ash on the right-of-way. Pepco submitted a schedule for development of a closure plan to MDE on September 30, 2013 and, by letter dated October 18, 2013, MDE approved the schedule.

Exelon, PHI and Pepco have determined that a loss associated with this matter is probable and have estimated that the costs for implementation of a closure plan and cap on the site are in the range of approximately \$3 million to \$6 million, for which an appropriate reserve has been established and is included in the table above. Exelon, PHI and Pepco believe that the costs incurred in this matter will be recoverable from NRG under the 2000 sale agreement.

**Litigation and Regulatory Matters**

**Asbestos Personal Injury Claims (Exelon, Generation, ComEd, PECO and BGE).**

**Exelon and Generation.** Generation maintains a reserve for claims associated with asbestos-related personal injury actions in certain facilities that are currently owned by Generation or were previously owned by ComEd and PECO. The reserve is recorded on an undiscounted basis and excludes the estimated legal costs associated with handling these matters, which could be material.

At December 31, 2016 and 2015, Generation had reserved approximately \$83 million and \$95 million, respectively, in total for asbestos-related bodily injury claims. As of December 31, 2016, approximately \$22 million of this amount related to 230 open claims presented to Generation, while the

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

remaining \$61 million of the reserve is for estimated future asbestos-related bodily injury claims anticipated to arise through 2050, based on actuarial assumptions and analyses, which are updated on an annual basis. On a quarterly basis, Generation monitors actual experience against the number of forecasted claims to be received and expected claim payments and evaluates whether an adjustment to the reserve is necessary.

On November 22, 2013, the Supreme Court of Pennsylvania held that the Pennsylvania Workers Compensation Act does not apply to an employee's disability or death resulting from occupational disease, such as diseases related to asbestos exposure, which manifests more than 300 weeks after the employee's last employment-based exposure, and that therefore the exclusivity provision of the Act does not preclude such employee from suing his or her employer in court. The Supreme Court's ruling reverses previous rulings by the Pennsylvania Superior Court precluding current and former employees from suing their employers in court, despite the fact that the same employee was not eligible for workers compensation benefits for diseases that manifest more than 300 weeks after the employee's last employment-based exposure to asbestos. Since the Pennsylvania Supreme Court's ruling in November 2013, Exelon, Generation, and PECO have experienced an increase in asbestos-related personal injury claims brought by former PECO employees, all of which have been reserved against on a claim by claim basis. Those additional claims are taken into account in projecting estimated future asbestos-related bodily injury claims.

On November 4, 2015, the Illinois Supreme Court found that the provisions of the Illinois' Workers' Compensation Act and the Workers' Occupational Diseases Act barred an employee from bringing a direct civil action against an employer for latent diseases, including asbestos-related diseases that fall outside the 25-year limit of the statute of repose. The Illinois Supreme Court's ruling reversed previous rulings by the Illinois Court of Appeals, which initially ruled that the Illinois Worker's Compensation law should not apply in cases where the diagnosis of an asbestos related disease occurred after the 25-year maximum time period for filing a Worker's Compensation claim. As a result of this ruling, Exelon, Generation, and ComEd have not recorded an increase to the asbestos-related bodily injury liability as of December 31, 2016.

There is a reasonable possibility that Exelon may have additional exposure to estimated future asbestos-related bodily injury claims in excess of the amount accrued and the increases could have a material adverse effect on Exelon's, Generation's and PECO's future results of operations and cash flows.

**BGE.** Since 1993, BGE and certain Constellation (now Generation) subsidiaries have been involved in several actions concerning asbestos. The actions are based upon the theory of "premises liability," alleging that BGE and Generation knew of and exposed individuals to an asbestos hazard. In addition to BGE and Generation, numerous other parties are defendants in these cases.

To date, most asbestos claims which have been resolved relating to BGE and certain Constellation subsidiaries have been dismissed or resolved without any payment and a small minority of these cases has been resolved for amounts that were not material to BGE or Generation's financial results. Presently, there are an immaterial number of asbestos cases pending against BGE and certain Constellation subsidiaries.

***Continuous Power Interruption (Exelon and ComEd)***

Section 16-125 of the Illinois Public Utilities Act provides that in the event an electric utility, such as ComEd, experiences a continuous power interruption of four hours or more that affects (in ComEd's

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

case) more than 30,000 customers, the utility may be liable for actual damages suffered by customers as a result of the interruption and may be responsible for reimbursement of local governmental emergency and contingency expenses incurred in connection with the interruption. Recovery of consequential damages is barred. The affected utility may seek from the ICC a waiver of these liabilities when the utility can show that the cause of the interruption was unpreventable damage due to weather events or conditions, customer tampering, or certain other causes enumerated in the law. As of December 31, 2016 and 2015, ComEd did not have any material liabilities recorded for these storm events.

***Fund Transfer Restrictions (Exelon, Generation, ComEd, PECO, BGE, PEPCO, DPL and ACE)***

Under applicable law, Exelon may borrow or receive an extension of credit from its subsidiaries. Under the terms of Exelon's intercompany money pool agreement, Exelon can lend to, but not borrow from the money pool

The Federal Power Act declares it to be unlawful for any officer or director of any public utility "to participate in the making or paying of any dividends of such public utility from any funds properly included in capital account." What constitutes "funds properly included in capital account" is undefined in the Federal Power Act or the related regulations; however, FERC has consistently interpreted the provision to allow dividends to be paid as long as: (1) the source of the dividends is clearly disclosed; (2) the dividend is not excessive; and (3) there is no self-dealing on the part of corporate officials. While these restrictions may limit the absolute amount of dividends that a particular subsidiary may pay, Exelon does not believe these limitations are materially limiting because, under these limitations, the subsidiaries are allowed to pay dividends sufficient to meet Exelon's actual cash needs.

Under Illinois law, ComEd may not pay any dividend on its stock unless, among other things, "[its] earnings and earned surplus are sufficient to declare and pay same after provision is made for reasonable and proper reserves," or unless it has specific authorization from the ICC. ComEd has also agreed in connection with financings arranged through ComEd Financing III that it will not declare dividends on any shares of its capital stock in the event that: (1) it exercises its right to extend the interest payment periods on the subordinated debt securities issued to ComEd Financing III; (2) it defaults on its guarantee of the payment of distributions on the preferred trust securities of ComEd Financing III; or (3) an event of default occurs under the Indenture under which the subordinated debt securities are issued.

PECO's Articles of Incorporation prohibit payment of any dividend on, or other distribution to the holders of, common stock if, after giving effect thereto, the capital of PECO represented by its common stock together with its retained earnings is, in the aggregate, less than the involuntary liquidating value of its then outstanding preferred securities. On May 1, 2013, PECO redeemed all outstanding preferred securities. As a result, the above ratio calculation is no longer applicable. Additionally, PECO may not declare dividends on any shares of its capital stock in the event that: (1) it exercises its right to extend the interest payment periods on the subordinated debentures, which were issued to PEC L.P. or PECO Trust IV; (2) it defaults on its guarantee of the payment of distributions on the Series D Preferred Securities of PEC L.P. or the preferred trust securities of PECO Trust IV; or (3) an event of default occurs under the Indenture under which the subordinated debentures are issued.

BGE is subject to certain dividend restrictions established by the MDPSC. First, BGE was prohibited from paying a dividend on its common shares through the end of 2014. Second, BGE is prohibited from paying a dividend on its common shares if (a) after the dividend payment, BGE's equity

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

ratio would be below 48% as calculated pursuant to the MDPSC's ratemaking precedents or (b) BGE's senior unsecured credit rating is rated by two of the three major credit rating agencies below investment grade. Finally, BGE must notify the MDPSC that it intends to declare a dividend on its common shares at least 30 days before such a dividend is paid. There are no other limitations on BGE paying common stock dividends unless BGE elects to defer interest payments on the 6.20% Deferrable Interest Subordinated Debentures due 2043, and any deferred interest remains unpaid.

PEPCO is subject to certain dividend restrictions established by settlements approved in Maryland and the District of Columbia. PEPCO is prohibited from paying a dividend on its common shares if (a) after the dividend payment, PEPCO's equity ratio would be 48% as equity levels are calculated under the ratemaking precedents of the commissions and the Board or (b) Pepeco's senior unsecured credit rating is rated by one of the three major credit rating agencies below investment grade.

DPL is subject to certain dividend restrictions established by settlements approved in Delaware and Maryland. DPL is prohibited from paying a dividend on its common shares if (a) after the dividend payment, DPL's equity ratio would be 48% as equity levels are calculated under the ratemaking precedents of the commissions and the Board or (b) DPL's senior unsecured credit rating is rated by one of the three major credit rating agencies below investment grade.

ACE is subject to certain dividend restrictions established by settlements approved in New Jersey. ACE is prohibited from paying a dividend on its common shares if (a) after the dividend payment, ACE's equity ratio would be 48% as equity levels are calculated under the ratemaking precedents of the commissions and the Board or (b) ACE's senior unsecured credit rating is rated by one of the three major credit rating agencies below investment grade.

***Baltimore City Franchise Taxes (BGE)***

The City of Baltimore claims that BGE has maintained electric facilities in the City's public right-of-ways for over one hundred years without the proper franchise rights from the City. BGE has reviewed the City's claim and believes that it lacks merit. BGE has not recorded an accrual for payment of franchise fees for past periods as a range of loss, if any, cannot be reasonably estimated at this time. Franchise fees assessed in future periods may be material to BGE's results of operations and cash flows.

***Conduit Lease with City of Baltimore (Exelon and BGE)***

On September 23, 2015, the Baltimore City Board of Estimates approved an increase in annual rental fees for access to the Baltimore City underground conduit system effective November 1, 2015, from \$12 million to \$42 million, subject to an annual increase thereafter based on the Consumer Price Index. BGE subsequently entered into litigation with the City regarding the amount of and basis for establishing the conduit fee. On November 30, 2016, the Baltimore City Board of Estimates approved a settlement agreement entered into between BGE and the City to resolve the disputes and pending litigation related to BGE's use of and payment for the underground conduit system. As a result of the settlement, the parties have entered into a six-year lease that reduces the annual expense to \$25 million in the first three years and caps the annual expense in the last three years to not more than \$29 million. BGE recorded a credit to Operating and maintenance expense in the fourth quarter of approximately \$28 million for the reversal of the previously higher fees accrued in the current year as well as the settlement of prior year disputed fee true-up amounts.

**Combined Notes to Consolidated Financial Statements—(Continued)**  
**(Dollars in millions, except per share data unless otherwise noted)**

**Deere Wind Energy Assets (Exelon and Generation)**

In 2013, Deere & Company ("Deere") filed a lawsuit against Generation in the Delaware Superior Court relating to Generation's acquisition of the Deere wind energy assets. Under the purchase agreement, Deere was entitled to receive earn-out payments if certain specific wind projects already under development in Michigan met certain development and construction milestones following the sale. In the complaint, Deere seeks to recover a \$14 million earn-out payment associated with one such project, which was never completed. Generation has filed counterclaims against Deere for breach of contract, with a right of recoupment and set off. On June 2, 2016, the Delaware Superior Court entered summary judgment in favor of Deere. On January 17, 2017, Generation filed an appeal with the Supreme Court of Delaware. Generation has accrued an amount to cover its potential liability.

**General (All Registrants)**

The Registrants are involved in various other litigation matters that are being defended and handled in the ordinary course of business. The assessment of whether a loss is probable or a reasonable possibility, and whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events. The Registrants maintain accruals for such losses that are probable of being incurred and subject to reasonable estimation. Management is sometimes unable to estimate an amount or range of reasonably possible loss, particularly where (1) the damages sought are indeterminate, (2) the proceedings are in the early stages, or (3) the matters involve novel or unsettled legal theories. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution of such matters, including a possible eventual loss.

**Income Taxes (Exelon, Generation, ComEd, PECO and BGE)**

See Note 15—Income Taxes for information regarding the Registrants' income tax refund claims and certain tax positions, including the 1999 sale of fossil generating assets.

**25. Supplemental Financial Information (All Registrants)**

**Supplemental Statement of Operations Information**

The following tables provide additional information about the Registrants' Consolidated Statements of Operations and Comprehensive Income for the years ended December 31, 2016, 2015 and 2014.

For the year ended December 31, 2016	Exelon	Generation	ComEd	PECO	BGE	Pepco	DPL	ACE	Successor	Predecessor
									March 24, 2016 to December 31, 2016	January 1, 2016 to March 23, 2016
									PHI	PHI
<b>Taxes other than income</b>										
Utility (a)	\$ 753	\$ 122	\$ 242	\$ 136	\$ 85	\$ 312	\$ 18	\$ —	\$ 253	\$ 78
Property	483	246	27	13	123	53	31	3	73	18
Payroll	226	117	28	15	17	8	5	3	23	8
Other	114	21	(4)	—	4	4	1	1	5	1
<b>Total taxes other than income</b>	<b>\$1,576</b>	<b>\$ 506</b>	<b>\$ 293</b>	<b>\$ 164</b>	<b>\$229</b>	<b>\$ 377</b>	<b>\$55</b>	<b>\$ 7</b>	<b>\$ 354</b>	<b>\$ 105</b>

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

from insurers or the nuclear industry, could also be borne by Generation. Any such losses could have a material adverse effect on Exelon's and Generation's financial condition, results of operations and liquidity.

**Environmental Issues (All Registrants)**

**General.** The Registrants' operations have in the past, and may in the future, require substantial expenditures in order to comply with environmental laws. Additionally, under Federal and state environmental laws, the Registrants are generally liable for the costs of remediating environmental contamination of property now or formerly owned by them and of property contaminated by hazardous substances generated by them. The Registrants own or lease a number of real estate parcels, including parcels on which their operations or the operations of others may have resulted in contamination by substances that are considered hazardous under environmental laws. In addition, the Registrants are currently involved in a number of proceedings relating to sites where hazardous substances have been deposited and may be subject to additional proceedings in the future.

ComEd, PECO, BGE and DPL have identified sites where former MGP activities have or may have resulted in actual site contamination. For almost all of these sites, there are additional PRPs that may share responsibility for the ultimate remediation of each location.

- ComEd has identified 42 sites, 18 of which the remediation has been completed and approved by the Illinois EPA or the U.S. EPA and 24 that are currently under some degree of active study and/or remediation. ComEd expects the majority of the remediation at these sites to continue through at least 2021.
- PECO has identified 26 sites, 17 of which have been remediated in accordance with applicable PA DEP regulatory requirements. The remaining 9 sites are currently under some degree of active study and/or remediation. PECO expects the majority of the remediation at these sites to continue through at least 2022.
- BGE has identified 13 former gas manufacturing or purification sites that it currently owns or owned at one time through a predecessor's acquisition. Two gas manufacturing sites require some level of remediation and ongoing monitoring under the direction of the MDE. The required costs at these two sites are not considered material. The first phase of an investigation of an additional gas purification site (Riverside) was completed during the first quarter of 2015 at the direction of the MDE and investigations continue under MDE's direction. For more information, see the discussion of the Riverside site below.
- DPL has identified 2 sites, all of which the remediation has been completed and approved by the MDE or the Delaware Department of Natural Resources and Environmental Control.

ComEd, pursuant to an ICC order, and PECO, pursuant to settlements of natural gas distribution rate cases with the PAPUC, are currently recovering environmental remediation costs of former MGP facility sites through customer rates. ComEd and PECO have recorded regulatory assets for the recovery of these costs. See Note 5 —Regulatory Matters for additional information regarding the associated regulatory assets. BGE is authorized to recover, and is currently recovering, environmental costs for the remediation of the former MGP facility sites from customers; however, while BGE does not have a rider for MGP clean-up costs, BGE has historically received recovery of actual clean-up costs in distribution rates. DPL has historically received recovery of actual clean-up costs in distribution rates.

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

As of Three Months Ended March 31, 2017 and December 31, 2016, the Registrants had accrued the following undiscounted amounts for environmental liabilities in Other current liabilities and Other deferred credits and other liabilities within their respective Consolidated Balance Sheets:

<u>March 31, 2017</u>	<u>Total Environmental Investigation and Remediation Reserve</u>	<u>Portion of Total Related to MGP Investigation and Remediation</u>
Exelon	\$ 425	\$ 319
Generation	71	—
ComEd	288	286
PECO	33	31
BGE	4	2
PHI (Successor)	29	—
Pepco	26	—
DPL	2	—
ACE	1	—

<u>December 31, 2016</u>	<u>Total Environmental Investigation and Remediation Reserve</u>	<u>Portion of Total Related to MGP Investigation and Remediation</u>
Exelon	\$ 429	\$ 325
Generation	72	—
ComEd	292	291
PECO	33	31
BGE	2	2
PHI (Successor)	30	1
Pepco	27	—
DPL	2	1
ACE	1	—

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

The Registrants cannot reasonably estimate whether they will incur other significant liabilities for additional investigation and remediation costs at these or additional sites identified by the Registrants, environmental agencies or others, or whether such costs will be recoverable from third parties, including customers.

**Water Quality**

**Benning Road Site NPDES Permit Limit Exceedances** . . . . . Pepco holds an NPDES permit issued by EPA with a July 19, 2009 effective date, which authorizes discharges from the Benning Road service facility. The 2009 permit for the first time imposed numerical limits on the allowable concentration of certain metals in storm water discharged from the site into the Anacostia River. The permit contemplated that Pepco would meet these limits over time through the use of best management practices (BMPs). The BMPs were effective in reducing metal concentrations in storm water discharges, but were not sufficient to meet all of the numerical limits for all metals.

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

The 2009 permit remains in effect pending EPA's action on the Pepco renewal application, including resolution of the stormwater compliance issues. On October 30, 2015, EPA filed a Clean Water Act civil enforcement action against Pepco in federal district court, and in March 2016 the court granted a motion by the Anacostia Riverkeeper to intervene in this case as a plaintiff along with EPA. Since 2009 Pepco has installed runoff mitigation measures and implemented new operating procedures to comply with regulations. In January 2017, the parties agreed to a settlement in the form of a Consent Decree whereby Pepco will pay a civil penalty in the amount of \$16 million, continue the BMPs to manage stormwater, construct a new stormwater treatment system, and make certain other capital improvements to the stormwater management system. The Consent Decree has been lodged with the Court and has been subject to a 30-day public comment period. Upon completion of its review of public comments, it is expected that the Court will approve the Consent Decree in the second quarter of 2017. Pepco has established appropriate accruals for the liabilities under the Consent Agreement, which is included in the table above.

***Solid and Hazardous Waste***

***Cotter Corporation.*** The EPA has advised Cotter Corporation (Cotter), a former ComEd subsidiary, that it is potentially liable in connection with radiological contamination at a site known as the West Lake Landfill in Missouri. In 2000, ComEd sold Cotter to an unaffiliated third-party. As part of the sale, ComEd agreed to indemnify Cotter for any liability arising in connection with the West Lake Landfill. In connection with Exelon's 2001 corporate restructuring, this responsibility to indemnify Cotter was transferred to Generation. On May 29, 2008, the EPA issued a Record of Decision approving the remediation option submitted by Cotter and the two other PRPs that required additional landfill cover. The current estimated cost of the landfill cover remediation for the site is approximately \$90 million, including escalation, which will be allocated among all PRPs. Generation has accrued what it believes to be an adequate amount to cover its anticipated share of such liability, which is included in the table above. By letter dated January 11, 2010, the EPA requested that the PRPs perform a supplemental feasibility study for a remediation alternative that would involve complete excavation of the radiological contamination. On September 30, 2011, the PRPs submitted the supplemental feasibility study to the EPA for review. Since June 2012, the EPA has requested that the PRPs perform a series of additional analyses and groundwater and soil sampling as part of the supplemental feasibility study, that were completed in December 2016. While the EPA has not yet announced a schedule for selection of the final remedy, the PRPs believe that the EPA announcement of the proposed remedy will not take place until the end of 2017, or possibly the first quarter of 2018. Thereafter, the EPA will select a final remedy and seek to enter into a Consent Decree with the PRPs to effectuate the remedy. Recent investigation has identified a number of other parties who may be PRPs and could be liable to contribute to the final remedy. Further investigation is underway. Generation believes that a partial excavation remedy is reasonably possible, and the partial excavation costs, inclusive of a landfill cover, could range from approximately \$225 million to \$650 million; such costs would likely be shared by the final group of identified PRPs. Generation believes the likelihood that the EPA would require a complete excavation remedy is remote. The cost of a partial or complete excavation could have a material, unfavorable impact on Generation's and Exelon's future results of operations and cash flows.

During December 2015, the EPA took two actions related to the West Lake Landfill designed to abate what it termed as imminent and dangerous conditions at the landfill. The first involved installation by the PRPs of a non-combustible surface cover to protect against surface fires in areas where radiological materials are believed to have been disposed. Generation has accrued what it believes to be an adequate amount to cover its anticipated liability for this interim action. The second action involved EPA's public statement that it will require the PRPs to construct a barrier wall in an adjacent landfill to prevent a subsurface fire from spreading to those areas of the West Lake Landfill where radiological materials are believed to have been disposed. At this time, EPA has not provided sufficient details related to the basis for and the requirements and design of a barrier wall to enable Generation to determine the likelihood such a remedy will ultimately be implemented, assess the degree to which

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

Generation may have liability as a potentially responsible party, or develop a reasonable estimate of the potential incremental costs. It is reasonably possible, however, that resolution of this matter could have a material, unfavorable impact on Generation's and Exelon's future results of operations and cash flows. Finally, one of the other PRPs, the landfill owner and operator of the adjacent landfill, has indicated that it will be making a contribution claim against Cotter for costs that it has incurred to prevent the subsurface fire from spreading to those areas of the West Lake Landfill where radiological materials are believed to have been disposed. At this time, Generation and Exelon do not possess sufficient information to assess this claim and are therefore unable to determine the impact on their future results of operations and cash flows.

On February 2, 2016, the U.S. Senate passed a bill to transfer remediation authority over the West Lake Landfill from the EPA to the U.S. Army Corps of Engineers, under the Formerly Utilized Sites Remedial Action Program (FUSRAP). The legislation was not passed in the U.S. House of Representatives, and would therefore require reintroduction in the Senate for consideration in the current session of Congress. Should such proposed legislation ultimately become law, it would be subject to annual funding appropriations in the U.S. Budget. Remediation under FUSRAP would not alter the liability of the PRPs, but would likely delay the determination of a final remedy and its implementation.

On August 8, 2011, Cotter was notified by the DOJ that Cotter is considered a PRP with respect to the government's clean-up costs for contamination attributable to low level radioactive residues at a former storage and reprocessing facility named Latty Avenue near St. Louis, Missouri. The Latty Avenue site is included in ComEd's indemnification responsibilities discussed above as part of the sale of Cotter. The radioactive residues had been generated initially in connection with the processing of uranium ores as part of the U.S. government's Manhattan Project. Cotter purchased the residues in 1969 for initial processing at the Latty Avenue facility for the subsequent extraction of uranium and metals. In 1976, the NRC found that the Latty Avenue site had radiation levels exceeding NRC criteria for decontamination of land areas. Latty Avenue was investigated and remediated by the United States Army Corps of Engineers pursuant to funding under the FUSRAP. The DOJ has not yet formally advised the PRPs of the amount that it is seeking, but it is believed to be approximately \$90 million. The DOJ and the PRPs agreed to toll the statute of limitations until August 2017 so that settlement discussions could proceed. Based on Generation's preliminary review, it appears probable that Generation has liability to Cotter under the indemnification agreement and has established an appropriate accrual for this liability, which is included in the table above.

Commencing in February 2012, a number of lawsuits have been filed in the U.S. District Court for the Eastern District of Missouri. Among the defendants were Exelon, Generation and ComEd, all of which were subsequently dismissed from the case, as well as Cotter, which remains a defendant. The suits allege that individuals living in the North St. Louis area developed some form of cancer or other serious illness due to Cotter's negligent or reckless conduct in processing, transporting, storing, handling and/or disposing of radioactive materials. Plaintiffs are asserting public liability claims under the Price-Anderson Act. Their state law claims for negligence, strict liability, emotional distress, and medical monitoring have been dismissed. The complaints do not contain specific damage claims. In the event of a finding of liability against Cotter, it is reasonably possible that Exelon would be financially responsible due to its indemnification responsibilities of Cotter described above. The court has dismissed a number of lawsuits, and is expected to dismiss additional lawsuits based on a recent ruling. Pre-trial motions and discovery are proceeding in the remaining cases and a pre-trial scheduling order has been filed with the court. At this stage of the litigation, Generation and ComEd cannot estimate a range of loss, if any.

**68<sup>th</sup> Street Dump.** In 1999, the EPA proposed to add the 68th Street Dump in Baltimore, Maryland to the Superfund National Priorities List, and notified BGE and 19 others that they are PRPs at the site. In connection with BGE's 2000 corporate restructuring the responsibility for this liability was transferred to Constellation and

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

as a result of the 2012 Exelon and CEG merger is now Generation's responsibility. In March 2004, the PRPs formed the 68th Street Coalition and entered into consent order negotiations with the U.S. EPA to investigate clean-up options for the site under the Superfund Alternative Sites Program. In May 2006, a settlement among the U.S. EPA and the PRPs with respect to investigation of the site became effective. The settlement requires the PRPs, over the course of several years, to identify contamination at the site and recommend clean-up options. The PRPs submitted their investigation of the range of clean-up options in the first quarter of 2011. Although the investigation and options provided to the U.S. EPA are still subject to U.S. EPA review and selection of a remedy, the range of estimated clean-up costs to be allocated among all of the PRPs is in the range of \$50 million to \$64 million. On September 30, 2013, EPA issued the Record of Decision identifying its preferred remedial alternative for the site. The estimated cost for the alternative chosen by EPA is consistent with the PRPs estimated range of costs noted above. Based on Generation's preliminary review, it appears probable that Generation has liability and has established an appropriate accrual for its share of the estimated clean-up costs which is included in the table above.

**Rossville Ash Site.** The Rossville Ash Site is a 32-acre property located in Rosedale, Baltimore County, Maryland, which was used for the placement of fly ash from 1983-2007. The property is owned by Constellation Power Source Generation, LLC (CPSG), a wholly-owned subsidiary of Generation. In 2008, CPSG investigated and remediated the property by entering it into the Maryland Voluntary Cleanup Program (VCP) to address any historic environmental concerns and ready the site for appropriate future redevelopment. The site was accepted into the program in 2010 and is currently going through the process to remediate the site and receive closure from MDE. Exelon currently estimates the cost to close the site to be approximately \$4 million which has been fully reserved and included in the table above as of March 31, 2017.

**Sauer Dump.** On May 30, 2012, BGE was notified by the U.S. EPA that it is considered a PRP at the Sauer Dump Superfund site in Dundalk, Maryland. The U.S. EPA offered BGE and three other PRPs the opportunity to conduct an environmental investigation and present cleanup recommendations at the site. In addition, the U.S. EPA is seeking recovery from the PRPs of \$1.7 million for past cleanup and investigation costs at the site. On March 11, 2013, BGE and three other PRPs signed an Administrative Settlement Agreement and Order on Consent with the U.S. EPA which requires the PRPs to conduct a remedial investigation and feasibility study at the site to determine what, if any, are the appropriate and recommended cleanup activities for the site. The ultimate outcome of this proceeding is uncertain. Since the U.S. EPA has not selected a cleanup remedy and the allocation of the cleanup costs among the PRPs has not been determined, an estimate of the range of BGE's reasonably possible loss, if any, cannot be determined. It is possible, however, that resolution of this matter could have a material, unfavorable impact on Exelon's and BGE's future results of operations and cash flows, and an appropriate accrual has been established and is included in the table above.

**Riverside.** In 2013, the MDE, at the request of EPA, conducted a site inspection and limited environmental sampling of certain portions of the 170 acre Riverside property owned by BGE. The site consists of several different parcels with different current and historical uses. The sampling included soil and groundwater samples for a number of potential environmental contaminants. The sampling confirmed the existence of contaminants consistent with the known historical uses of the various portions of the site. In March 2014, the MDE requested that BGE conduct an investigation which included a site-wide investigation of soils, sediment, groundwater, and surface water to complement the MDE sampling. The field investigation was completed in January 2015, and a final report was provided to MDE in June 2015. In November 2015, MDE provided BGE with its comments and recommendations on the report which require BGE to conduct further investigation and sampling at the site to better delineate the nature and extent of historic contamination, including off-site sediment and soil sampling. MDE did not request any interim remediation at this time and BGE anticipates completing the additional work requested by the end of the second quarter of 2017. BGE has established what it believes is an appropriate reserve based upon the investigation to date. The established reserve is included in the table above. As the

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

investigation and potential remediation proceed, it is possible that additional reserves could be established, in amounts that could be material to BGE.

BGE is authorized to recover, and is currently recovering, environmental costs for the remediation of the former MGP facility sites from customers; however, while BGE does not have a rider for MGP clean-up costs, BGE has historically received recovery of actual clean-up costs in distribution rates.

**Benning Road Site.** In September 2010, PHI received a letter from EPA identifying the Benning Road site as one of six land-based sites potentially contributing to contamination of the lower Anacostia River. A portion of the site was formerly the location of a Pepco Energy Services electric generating facility. That generating facility was deactivated in June 2012 and plant structure demolition was completed in July 2015. The remaining portion of the site consists of a Pepco transmission and distribution service center that remains in operation. In December 2011, the U.S. District Court for the District of Columbia approved a consent decree entered into by Pepco and Pepco Energy Services with the DOEE, which requires Pepco and Pepco Energy Services to conduct a RI/FS for the Benning Road site and an approximately 10 to 15 acre portion of the adjacent Anacostia River. The RI/FS will form the basis for the remedial actions for the Benning Road site and for the Anacostia River sediment associated with the site. The consent decree does not obligate Pepco or Pepco Energy Services to pay for or perform any remediation work, but it is anticipated that DOEE will look to Pepco and Pepco Energy Services to assume responsibility for cleanup of any conditions in the river that are determined to be attributable to past activities at the Benning Road site.

The initial RI field work began in January 2013 and was completed in December 2014. In April 2015, Pepco and Pepco Energy Services submitted a draft RI Report to DOEE. After review, DOEE determined that additional field investigation and data analysis was required to complete the RI process (much of which was beyond the scope of the original DOEE-approved RI work plan). In the meantime, Pepco and Pepco Energy Services revised the draft RI Report to address DOEE's comments and DOEE released the draft RI Report for public review in February 2016. Once the additional RI work has been completed, Pepco and Pepco Energy Services will issue a draft "final" RI report for review and comment by DOEE and the public. Pepco and Pepco Energy Services will then proceed to develop an FS to evaluate possible remedial alternatives for submission to DOEE. The Court has established a schedule for completion of the RI and FS, and approval by the DOEE, by June 2018.

Upon DOEE's approval of the final RI and FS Reports, Pepco and Pepco Energy Services will have satisfied their obligations under the consent decree. At that point, DOEE will prepare a Proposed Plan regarding further response actions. After considering public comment on the Proposed Plan, DOEE will issue a Record of Decision identifying any further response actions determined to be necessary.

PHI, Pepco and Pepco Energy Services have determined that a loss associated with this matter for PHI, Pepco and Pepco Energy Services is probable and an estimated liability for this issue has been accrued, which is included in the table above. As the remedial investigation proceeds and potential remedies are identified, it is possible that additional accruals could be established in amounts that could be material to PHI, Pepco and Pepco Energy Services. Pursuant to Exelon's March 2016 acquisition of PHI, Pepco Energy Services was transferred to Generation. The ultimate resolution of this matter is currently not expected to have any significant financial impact on Generation.

**Anacostia River Tidal Reach .** Contemporaneous with the Benning RI/FS being performed by Pepco and Pepco Energy Services, DOEE and certain federal agencies have been conducting a separate RI/FS focused on the entire tidal reach of the Anacostia River extending from just north of the Maryland-D.C. boundary line to the confluence of the Anacostia and Potomac Rivers. In March 2016, DOEE released a draft of the river-wide RI

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

Report for public review and comment. The river-wide RI incorporated the results of the river sampling performed by Pepco and Pepco Energy Services as part of the Benning RI/FS, as well as similar sampling efforts conducted by owners of other sites adjacent to this segment of the river and supplemental river sampling conducted by DOEE's contractor. DOEE asked Pepco, along with parties responsible for other sites along the river, to participate in a "Consultative Working Group" to provide input into the process for future remedial actions addressing the entire tidal reach of the river and to ensure proper coordination with the other river cleanup efforts currently underway, including cleanup of the river segment adjacent to the Benning Road site resulting from the Benning Road RI/FS. Pepco responded that it will participate in the Consultative Working Group but its participation is not an acceptance of any financial responsibility beyond the work that will be performed at the Benning Road site described above. DOEE has advised the Consultative Working Group that the federal and DOEE authorities are conducting phase 2 of a remedial investigation. DOEE has targeted June 2018 as the date for remedy selection for clean-up of sediments in this section of the river. The Consultative Working Group and the other possible PRPs have provided input into the proposed clean-up process and schedule. At this time, it is not possible to predict the extent of Pepco's participation in the river-wide RI/FS process, and Pepco cannot estimate the reasonably possible range of loss for response costs beyond those associated with the Benning RI/FS component of the river-wide initiative. It is possible, however, that resolution of this matter could have a material, unfavorable impact on Exelon's and Pepco's future results of operations and cash flows.

**Connectiv Energy Wholesale Power Generation Sites.** In July 2010, PHI sold the wholesale power generation business of Connectiv Energy Holdings, Inc and substantially all of its subsidiaries (Connectiv Energy) to Calpine Corporation (Calpine). Under New Jersey's Industrial Site Recovery Act (ISRA), the transfer of ownership triggered an obligation on the part of Connectiv Energy to remediate any environmental contamination at each of the nine Connectiv Energy generating facility sites located in New Jersey. Under the terms of the sale, Calpine has assumed responsibility for performing the ISRA-required remediation and for the payment of all related ISRA compliance costs up to \$10 million. PHI is obligated to indemnify Calpine for any ISRA compliance remediation costs in excess of \$10 million. According to PHI's estimates, the costs of ISRA-required remediation activities at the 9 generating facility sites located in New Jersey are in the range of approximately \$7 million to \$18 million, and PHI has established an appropriate accrual for its share of the estimated clean-up costs, which is included in the table above. Pursuant to Exelon's March 2016 acquisition of PHI, Connectiv Energy was transferred to Generation, however, the responsibility to indemnify Calpine remained at PHI. The ultimate resolution of this matter is currently not expected to have any significant financial impact on PHI.

**Rock Creek Mineral Oil Release.** In late August 2015, a Pepco underground transmission line in the District of Columbia suffered a breach, resulting in the release of non-toxic mineral oil surrounding the transmission line into the surrounding soil, and a small amount reached Rock Creek through a storm drain. Pepco notified regulatory authorities, and Pepco and its spill response contractors placed booms in Rock Creek, blocked the storm drain to prevent the release of mineral oil into the creek and commenced remediation of soil around the transmission line and the Rock Creek shoreline. Pepco estimates that approximately 6,100 gallons of mineral oil were released and that its remediation efforts recovered approximately 80% of the amount released. Pepco's remediation efforts are ongoing under the direction of the DOEE, including the requirements of a February 29, 2016 compliance order which requires Pepco to prepare a full incident investigation report and prepare a removal action work plan to remove all impacted soils in the vicinity of the storm drain outfall, and in collaboration with the National Park Service, the Smithsonian Institution/National Zoo and EPA. Pepco's investigation presently indicates that the damage to Pepco's facilities occurred prior to the release of mineral oil when third-party excavators struck the Pepco underground transmission line while installing cable for another utility.

To the extent recovery is available against any party who contributed to this loss, PHI and Pepco will pursue such action. Exelon, PHI and Pepco continue to investigate the cause of the incident, the parties involved, and

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

legal responsibility under District of Columbia law, but do not believe that the remediation costs to resolve this matter will have a material adverse effect on their respective financial condition, results of operations or cash flows.

**Brandywine Fly Ash Disposal Site.** In February 2013, Pepco received a letter from the MDE requesting that Pepco investigate the extent of waste on a Pepco right-of-way that traverses the Brandywine fly ash disposal site in Brandywine, Prince George's County, Maryland, owned by NRG Energy, Inc. (as successor to GenOn MD Ash Management, LLC) (NRG). In July 2013, while reserving its rights and related defenses under a 2000 agreement covering the sale of this site, Pepco indicated its willingness to investigate the extent of, and propose an appropriate closure plan to address, ash on the right-of-way. Pepco submitted a schedule for development of a closure plan to MDE on September 30, 2013 and, by letter dated October 18, 2013, MDE approved the schedule.

Exelon, PHI and Pepco have determined that a loss associated with this matter is probable and have estimated that the costs for implementation of a closure plan and cap on the site are in the range of approximately \$3 million to \$6 million, for which an appropriate reserve has been established and is included in the table above. Exelon, PHI and Pepco believe that the costs incurred in this matter will be recoverable from NRG under the 2000 sale agreement.

**Litigation and Regulatory Matters**

***Asbestos Personal Injury Claims (Exelon, Generation, ComEd, PECO and BGE)***

**Exelon, Generation and PECO .** Generation maintains a reserve for claims associated with asbestos-related personal injury actions in certain facilities that are currently owned by Generation or were previously owned by ComEd and PECO. The reserve is recorded on an undiscounted basis and excludes the estimated legal costs associated with handling these matters, which could be material.

At March 31, 2017 and December 31, 2016, Generation had reserved approximately \$82 million and \$83 million, respectively, in total for asbestos-related bodily injury claims. As of March 31, 2017, approximately \$23 million of this amount related to 240 open claims presented to Generation, while the remaining \$59 million of the reserve is for estimated future asbestos-related bodily injury claims anticipated to arise through 2050, based on actuarial assumptions and analyses, which are updated on an annual basis. On a quarterly basis, Generation monitors actual experience against the number of forecasted claims to be received and expected claim payments and evaluates whether an adjustment to the reserve is necessary.

On November 22, 2013, the Supreme Court of Pennsylvania held that the Pennsylvania Workers Compensation Act does not apply to an employee's disability or death resulting from occupational disease, such as diseases related to asbestos exposure, which manifests more than 300 weeks after the employee's last employment-based exposure, and that therefore the exclusivity provision of the Act does not preclude such employee from suing his or her employer in court. The Supreme Court's ruling reverses previous rulings by the Pennsylvania Superior Court precluding current and former employees from suing their employers in court, despite the fact that the same employee was not eligible for workers compensation benefits for diseases that manifest more than 300 weeks after the employee's last employment-based exposure to asbestos. Since the Pennsylvania Supreme Court's ruling in November 2013, Exelon, Generation, and PECO have experienced an increase in asbestos-related personal injury claims brought by former PECO employees, all of which have been reserved for on a claim by claim basis. Those additional claims are taken into account in projecting estimates of future asbestos-related bodily injury claims.

On November 4, 2015, the Illinois Supreme Court found that the provisions of the Illinois' Workers' Compensation Act and the Workers' Occupational Diseases Act barred an employee from bringing a direct civil

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

action against an employer for latent diseases, including asbestos-related diseases that fall outside the 25-year limit of the statute of repose. The Illinois Supreme Court's ruling reversed previous rulings by the Illinois Court of Appeals, which initially ruled that the Illinois Worker's Compensation law should not apply in cases where the diagnosis of an asbestos related disease occurred after the 25-year maximum time period for filing a Worker's Compensation claim. Since the Illinois Supreme Court's ruling in November 2015, Exelon, Generation, and ComEd have not experienced a significant increase in asbestos-related personal injury claims brought by former ComEd employees.

There is a reasonable possibility that Exelon may have additional exposure to estimated future asbestos-related bodily injury claims in excess of the amount accrued and the increases could have a material adverse effect on Exelon's, Generation's, ComEd's, PECO and BGE's future results of operations and cash flows.

**BGE.** Since 1993, BGE and certain Constellation (now Generation) subsidiaries have been involved in several actions concerning asbestos. The actions are based upon the theory of "premises liability," alleging that BGE and Generation knew of and exposed individuals to an asbestos hazard. In addition to BGE and Generation, numerous other parties are defendants in these cases.

To date, most asbestos claims which have been resolved relating to BGE and certain Constellation subsidiaries have been dismissed or resolved without any payment and a small minority of these cases has been resolved for amounts that were not material to BGE or Generation's financial results. Presently, there are an immaterial number of asbestos cases pending against BGE and certain Constellation subsidiaries.

***Continuous Power Interruption (Exelon and ComEd)***

Section 16-125 of the Illinois Public Utilities Act provides that in the event an electric utility, such as ComEd, experiences a continuous power interruption of four hours or more that affects (in ComEd's case) more than 30,000 customers, the utility may be liable for actual damages suffered by customers as a result of the interruption and may be responsible for reimbursement of local governmental emergency and contingency expenses incurred in connection with the interruption. Recovery of consequential damages is barred. The affected utility may seek from the ICC a waiver of these liabilities when the utility can show that the cause of the interruption was unpreventable damage due to weather events or conditions, customer tampering, or certain other causes enumerated in the law. As of March 31, 2017 and December 31, 2016, ComEd did not have any material liabilities recorded for these storm events.

***Baltimore City Franchise Taxes (Exelon and BGE)***

The City of Baltimore claims that BGE has maintained electric facilities in the City's public right-of-ways for over one hundred years without the proper franchise rights from the City. BGE has reviewed the City's claim and believes that it lacks merit. BGE has not recorded an accrual for payment of franchise fees for past periods as a range of loss, if any, cannot be reasonably estimated at this time. Franchise fees assessed in future periods may be material to BGE's results of operations and cash flows.

***Conduit Lease with City of Baltimore (Exelon and BGE)***

On September 23, 2015, the Baltimore City Board of Estimates approved an increase in annual rental fees for access to the Baltimore City underground conduit system effective November 1, 2015, from \$12 million to \$42 million, subject to an annual increase thereafter based on the Consumer Price Index. BGE subsequently entered into litigation with the City regarding the amount of and basis for establishing the conduit fee. On November 30, 2016, the Baltimore City Board of Estimates approved a settlement agreement entered into

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

between BGE and the City to resolve the disputes and pending litigation related to BGE's use of and payment for the underground conduit system. As a result of the settlement, the parties have entered into a six-year lease that reduces the annual expense to \$25 million in the first three years and caps the annual expense in the last three years to not more than \$29 million. BGE recorded a credit to Operating and maintenance expense in the fourth quarter of approximately \$28 million for the reversal of the previously higher fees accrued in the current year as well as the settlement of prior year disputed fee true-up amounts.

***Deere Wind Energy Assets (Exelon and Generation)***

In 2013, Deere & Company ("Deere") filed a lawsuit against Generation in the Delaware Superior Court relating to Generation's acquisition of the Deere wind energy assets. Under the purchase agreement, Deere was entitled to receive earn-out payments if certain specific wind projects already under development in Michigan met certain development and construction milestones following the sale. In the complaint, Deere seeks to recover a \$14 million earn-out payment associated with one such project, which was never completed. Generation has filed counterclaims against Deere for breach of contract, with a right of recoupment and set off. On June 2, 2016, the Delaware Superior Court entered summary judgment in favor of Deere. On January 17, 2017, Generation filed an appeal of the Superior Court's summary judgment decision with the Supreme Court of Delaware. Generation has accrued an amount to cover its potential liability.

***General (All Registrants)***

The Registrants are involved in various other litigation matters that are being defended and handled in the ordinary course of business. The assessment of whether a loss is probable or a reasonable possibility, and whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events. The Registrants maintain accruals for such losses that are probable of being incurred and subject to reasonable estimation. Management is sometimes unable to estimate an amount or range of reasonably possible loss, particularly where (1) the damages sought are indeterminate, (2) the proceedings are in the early stages, or (3) the matters involve novel or unsettled legal theories. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution of such matters, including a possible eventual loss.

***Income Taxes (Exelon, Generation, ComEd, PECO and BGE)***

See Note 11 — Income Taxes for information regarding the Registrants' income tax refund claims and certain tax positions, including the 1999 sale of fossil generating assets.

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

which Generation is required by the NRC to maintain, to provide for decommissioning the facility. In the event of an insured loss, Generation is unable to predict the timing of the availability of insurance proceeds to Generation and the amount of such proceeds that would be available. In the event that one or more acts of terrorism cause accidental property damage within a twelve-month period from the first accidental property damage under one or more policies for all insured plants, the maximum recovery by Exelon will be an aggregate of \$3.2 billion plus such additional amounts as the insurer may recover for all such losses from reinsurance, indemnity and any other source, applicable to such losses.

For its insured losses, Generation is self-insured to the extent that losses are within the policy deductible or exceed the amount of insurance maintained. Uninsured losses and other expenses, to the extent not recoverable from insurers or the nuclear industry, could also be borne by Generation. Any such losses could have a material adverse effect on Exelon's and Generation's financial condition, results of operations and liquidity.

**Environmental Issues (All Registrants)**

**General.** The Registrants' operations have in the past, and may in the future, require substantial expenditures in order to comply with environmental laws. Additionally, under Federal and state environmental laws, the Registrants are generally liable for the costs of remediating environmental contamination of property now or formerly owned by them and of property contaminated by hazardous substances generated by them. The Registrants own or lease a number of real estate parcels, including parcels on which their operations or the operations of others may have resulted in contamination by substances that are considered hazardous under environmental laws. In addition, the Registrants are currently involved in a number of proceedings relating to sites where hazardous substances have been deposited and may be subject to additional proceedings in the future.

ComEd, PECO, BGE and DPL have identified sites where former MGP activities have or may have resulted in actual site contamination. For almost all of these sites, there are additional PRPs that may share responsibility for the ultimate remediation of each location.

- ComEd has identified 42 sites, 19 of which the remediation has been completed and approved by the Illinois EPA or the U.S. EPA and 23 that are currently under some degree of active study and/or remediation. ComEd expects the majority of the remediation at these sites to continue through at least 2021.
- PECO has identified 26 sites, 17 of which have been remediated in accordance with applicable PA DEP regulatory requirements. The remaining 9 sites are currently under some degree of active study and/or remediation. PECO expects the majority of the remediation at these sites to continue through at least 2022.
- BGE has identified 13 former gas manufacturing or purification sites that it currently owns or owned at one time through a predecessor's acquisition. Two of the gas manufacturing sites require some level of remediation and ongoing monitoring under the direction of the MDE. The required costs at these two sites are not considered material. In May 2017, BGE completed the additional work requested by MDE. All the sample testing produced results that were below the cleanup action level established by MDE and no further investigation is required. For more information, see the discussion of the Riverside site below.
- DPL has identified 2 sites, all of which the remediation has been completed and approved by the MDE or the Delaware Department of Natural Resources and Environmental Control.

ComEd, pursuant to an ICC order, and PECO, pursuant to settlements of natural gas distribution rate cases with the PAPUC, are currently recovering environmental remediation costs of former MGP facility sites through

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

customer rates. ComEd and PECO have recorded regulatory assets for the recovery of these costs. See Note 5 — Regulatory Matters for additional information regarding the associated regulatory assets. BGE is authorized to recover, and is currently recovering, environmental costs for the remediation of the former MGP facility sites from customers; however, while BGE does not have a rider for MGP clean-up costs, BGE has historically received recovery of actual clean-up costs in distribution rates. DPL has historically received recovery of actual clean-up costs in distribution rates.

As of June 30, 2017 and December 31, 2016, the Registrants had accrued the following undiscounted amounts for environmental liabilities in Other current liabilities and Other deferred credits and other liabilities within their respective Consolidated Balance Sheets:

<u>June 30, 2017</u>	<u>Total Environmental Investigation and Remediation Reserve</u>	<u>Portion of Total Related to MGP Investigation and Remediation</u>
Exelon	\$ 412	\$ 315
Generation	67	—
ComEd	284	282
PECO	32	31
BGE	3	2
PHI (Successor)	26	—
Pepco	23	—
DPL	2	—
ACE	1	—
<u>December 31, 2016</u>	<u>Total Environmental Investigation and Remediation Reserve</u>	<u>Portion of Total Related to MGP Investigation and Remediation</u>
Exelon	\$ 429	\$ 325
Generation	72	—
ComEd	292	291
PECO	33	31
BGE	2	2
PHI (Successor)	30	1
Pepco	27	—
DPL	2	1
ACE	1	—

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

The Registrants cannot reasonably estimate whether they will incur other significant liabilities for additional investigation and remediation costs at these or additional sites identified by the Registrants, environmental agencies or others, or whether such costs will be recoverable from third parties, including customers

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

***Water Quality***

***Benning Road Site NPDES Permit Limit Exceedances*** . Pepco holds an NPDES permit issued by EPA with a July 19, 2009 effective date, which authorizes discharges from the Benning Road service facility. The 2009 permit for the first time imposed numerical limits on the allowable concentration of certain metals in storm water discharged from the site into the Anacostia River. The permit contemplated that Pepco would meet these limits over time through the use of best management practices (BMPs). The BMPs were effective in reducing metal concentrations in storm water discharges, but were not sufficient to meet all of the numerical limits for all metals.

The 2009 permit remains in effect pending EPA's action on the Pepco renewal application, including resolution of the stormwater compliance issues. On October 30, 2015, EPA filed a Clean Water Act civil enforcement action against Pepco in federal district court, and in March 2016 the court granted a motion by the Anacostia Riverkeeper to intervene in this case as a plaintiff along with EPA. Since 2009 Pepco has installed runoff mitigation measures and implemented new operating procedures to comply with regulations. In January 2017, the parties agreed to a settlement in the form of a Consent Decree whereby Pepco will pay a civil penalty in the amount of \$1.6 million, continue the BMPs to manage stormwater, construct a new stormwater treatment system, and make certain other capital improvements to the stormwater management system. On May 19, 2017, the Consent Decree was entered with the Court and became final. The Civil Penalty assessed under the Consent Decree of \$1.6 million was paid on June 5, 2017 and other requirements of the Decree are now being implemented.

***Solid and Hazardous Waste***

***Cotter Corporation***. The EPA has advised Cotter Corporation (Cotter), a former ComEd subsidiary, that it is potentially liable in connection with radiological contamination at a site known as the West Lake Landfill in Missouri. In 2000, ComEd sold Cotter to an unaffiliated third-party. As part of the sale, ComEd agreed to indemnify Cotter for any liability arising in connection with the West Lake Landfill. In connection with Exelon's 2001 corporate restructuring, this responsibility to indemnify Cotter was transferred to Generation. On May 29, 2008, the EPA issued a Record of Decision approving the remediation option submitted by Cotter and the two other PRPs that required additional landfill cover. The current estimated cost of the landfill cover remediation for the site is approximately \$90 million, including escalation, which will be allocated among all PRPs. Generation has accrued what it believes to be an adequate amount to cover its anticipated share of such liability, which is included in the table above. By letter dated January 11, 2010, the EPA requested that the PRPs perform a supplemental feasibility study for a remediation alternative that would involve complete excavation of the radiological contamination. On September 30, 2011, the PRPs submitted the supplemental feasibility study to the EPA for review. Since June 2012, the EPA has requested that the PRPs perform a series of additional analyses and groundwater and soil sampling as part of the supplemental feasibility study, that were completed in December 2016. The EPA has advised the PRPs that the EPA announcement of the proposed remedy will take place in the first quarter of 2018. Thereafter, the EPA will select a final remedy and seek to enter into a Consent Decree with the PRPs to effectuate the remedy. Recent investigation has identified a number of other parties who may be PRPs and could be liable to contribute to the final remedy. Further investigation is underway. Generation believes that a partial excavation remedy is reasonably possible, and the partial excavation costs, inclusive of a landfill cover, could range from approximately \$225 million to \$650 million; such costs would likely be shared by the final group of identified PRPs. Generation believes the likelihood that the EPA would require a complete excavation remedy is remote. The cost of a partial or complete excavation could have a material, unfavorable impact on Generation's and Exelon's future results of operations and cash flows.

During December 2015, the EPA took two actions related to the West Lake Landfill designed to abate what it termed as imminent and dangerous conditions at the landfill. The first involved installation by the PRPs of a

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

non-combustible surface cover to protect against surface fires in areas where radiological materials are believed to have been disposed. Generation has accrued what it believes to be an adequate amount to cover its anticipated liability for this interim action. The second action involved EPA's public statement that it will require the PRPs to construct a barrier wall in an adjacent landfill to prevent a subsurface fire from spreading to those areas of the West Lake Landfill where radiological materials are believed to have been disposed. At this time, EPA has not provided sufficient details related to the basis for and the requirements and design of a barrier wall to enable Generation to determine the likelihood such a remedy will ultimately be implemented, assess the degree to which Generation may have liability as a potentially responsible party, or develop a reasonable estimate of the potential incremental costs. It is reasonably possible, however, that resolution of this matter could have a material, unfavorable impact on Generation's and Exelon's future results of operations and cash flows. Finally, one of the other PRPs, the landfill owner and operator of the adjacent landfill, has indicated that it will be making a contribution claim against Cotter for costs that it has incurred to prevent the subsurface fire from spreading to those areas of the West Lake Landfill where radiological materials are believed to have been disposed. At this time, Generation and Exelon do not possess sufficient information to assess this claim and are therefore unable to determine the impact on their future results of operations and cash flows.

On February 2, 2016, the U.S. Senate passed a bill to transfer remediation authority over the West Lake Landfill from the EPA to the U.S. Army Corps of Engineers, under the Formerly Utilized Sites Remedial Action Program (FUSRAP). The legislation was not passed in the U.S. House of Representatives, and would therefore require reintroduction in the Senate for consideration in the current session of Congress. Should such proposed legislation ultimately become law, it would be subject to annual funding appropriations in the U.S. Budget. Remediation under FUSRAP would not alter the liability of the PRPs, but would likely delay the determination of a final remedy and its implementation.

On August 8, 2011, Cotter was notified by the DOJ that Cotter is considered a PRP with respect to the government's clean-up costs for contamination attributable to low level radioactive residues at a former storage and reprocessing facility named Latty Avenue near St. Louis, Missouri. The Latty Avenue site is included in ComEd's indemnification responsibilities discussed above as part of the sale of Cotter. The radioactive residues had been generated initially in connection with the processing of uranium ores as part of the U.S. government's Manhattan Project. Cotter purchased the residues in 1969 for initial processing at the Latty Avenue facility for the subsequent extraction of uranium and metals. In 1976, the NRC found that the Latty Avenue site had radiation levels exceeding NRC criteria for decontamination of land areas. Latty Avenue was investigated and remediated by the United States Army Corps of Engineers pursuant to funding under the FUSRAP. The DOJ has not yet formally advised the PRPs of the amount that it is seeking, but it is believed to be approximately \$90 million. The DOJ and the PRPs agreed to toll the statute of limitations until August 2018 so that settlement discussions could proceed. Based on Generation's preliminary review, it appears probable that Generation has liability to Cotter under the indemnification agreement and has established an appropriate accrual for this liability, which is included in the table above.

Commencing in February 2012, a number of lawsuits have been filed in the U.S. District Court for the Eastern District of Missouri. Among the defendants were Exelon, Generation and ComEd, all of which were subsequently dismissed from the case, as well as Cotter, which remains a defendant. The suits allege that individuals living in the North St. Louis area developed some form of cancer or other serious illness due to Cotter's negligent or reckless conduct in processing, transporting, storing, handling and/or disposing of radioactive materials. Plaintiffs are asserting public liability claims under the Price-Anderson Act. Their state law claims for negligence, strict liability, emotional distress, and medical monitoring have been dismissed. The complaints do not contain specific damage claims. In the event of a finding of liability against Cotter, it is reasonably possible that Exelon would be financially responsible due to its indemnification responsibilities of Cotter described above. The court has dismissed a number of lawsuits, and is expected to dismiss additional

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

lawsuits based on a recent ruling. Pre-trial motions and discovery are proceeding in the remaining cases and a pre-trial scheduling order has been filed with the court. At this stage of the litigation, Generation and ComEd cannot estimate a range of loss, if any.

**68<sup>th</sup> Street Dump.** In 1999, the EPA proposed to add the 68th Street Dump in Baltimore, Maryland to the Superfund National Priorities List, and notified BGE and 19 others that they are PRPs at the site. In connection with BGE's 2000 corporate restructuring the responsibility for this liability was transferred to Constellation and as a result of the 2012 Exelon and CEG merger is now Generation's responsibility. In March 2004, the PRPs formed the 68th Street Coalition and entered into consent order negotiations with the U.S. EPA to investigate clean-up options for the site under the Superfund Alternative Sites Program. In May 2006, a settlement among the U.S. EPA and the PRPs with respect to investigation of the site became effective. The settlement requires the PRPs, over the course of several years, to identify contamination at the site and recommend clean-up options. The PRPs submitted their investigation of the range of clean-up options in the first quarter of 2011. On September 30, 2013, EPA issued the Record of Decision identifying its preferred remedial alternative for the site. The estimated cost for the alternative chosen by EPA is consistent with the PRPs estimated range of costs noted above. In July, 2017 the PRPs and EPA finalized the terms of a Consent Decree which is being executed by the Parties and will then be lodged with the Court and subject to a 30-day public comment period after which it is anticipated it will be approved by the Court without any significant change in the costs for cleanup. There will also be an ancillary agreement between the PRPs who will be performing the remedy and those who have elected to enter into cash settlements and become non-performing parties. Generation has elected to be a non-performing party and the settlement terms will provide contribution and all other protections against the performing parties. Generation has reached a preliminary settlement agreement for its share of the estimated clean-up costs, which is included in the table above and is immaterial to the Generation and Exelon financial statements.

**Rossville Ash Site.** The Rossville Ash Site is a 32-acre property located in Rosedale, Baltimore County, Maryland, which was used for the placement of fly ash from 1983-2007. The property is owned by Constellation Power Source Generation, LLC (CPSG), a wholly owned subsidiary of Generation. In 2008, CPSG investigated and remediated the property by entering it into the Maryland Voluntary Cleanup Program (VCP) to address any historic environmental concerns and ready the site for appropriate future redevelopment. The site was accepted into the program in 2010 and is currently going through the process to remediate the site and receive closure from MDE. Exelon currently estimates the cost to close the site to be approximately \$2 million which has been fully reserved and included in the table above as of June 30, 2017.

**Sauer Dump.** On May 30, 2012, BGE was notified by the U.S. EPA that it is considered a PRP at the Sauer Dump Superfund site in Dundalk, Maryland. The U.S. EPA offered BGE and three other PRPs the opportunity to conduct an environmental investigation and present cleanup recommendations at the site. In addition, the U.S. EPA is seeking recovery from the PRPs of \$1.7 million for past cleanup and investigation costs at the site. On March 11, 2013, BGE and three other PRPs signed an Administrative Settlement Agreement and Order on Consent with the U.S. EPA which requires the PRPs to conduct a remedial investigation and feasibility study at the site to determine what, if any, are the appropriate and recommended cleanup activities for the site. Although the ultimate outcome of this proceeding is uncertain based on the information compiled to date, BGE has developed an estimate of the range of BGE's probable liability and has established an appropriate accrual that is included in the table above. It is possible, however, that final resolution of this matter could have a material, unfavorable impact on BGE's future results of operations and cash flows.

**Riverside.** In 2013, the MDE, at the request of EPA, conducted a site inspection and limited environmental sampling of certain portions of the 170 acre Riverside property owned by BGE. The site consists of several different parcels with different current and historical uses. The sampling included soil and groundwater samples for a number of potential environmental contaminants. The sampling confirmed the existence of contaminants

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

consistent with the known historical uses of the various portions of the site. In March 2014, the MDE requested that BGE conduct an investigation which included a site-wide investigation of soils, sediment, groundwater, and surface water to complement the MDE sampling. The field investigation was completed in January 2015, and a final report was provided to MDE in June 2015. In November 2015, MDE provided BGE with its comments and recommendations on the report which require BGE to conduct further investigation and sampling at the site to better delineate the nature and extent of historic contamination, including off-site sediment and soil sampling. MDE did not request any interim remediation at this time and in May 2017 BGE completed the additional work requested by MDE. All the sample testing produced results that were below the cleanup action level established by MDE and no further investigation is required. BGE has established what it believes is an appropriate reserve based upon the investigation to date. The established reserve is included in the table above. As the investigation and potential remediation proceed, it is possible that additional reserves could be established, in amounts that could be material to BGE.

BGE is authorized to recover, and is currently recovering, environmental costs for the remediation of the former MGP facility sites from customers; however, while BGE does not have a rider for MGP clean-up costs, BGE has historically received recovery of actual clean-up costs in distribution rates. Additionally, legislation was passed during the 2017 Maryland General Assembly session that should further support BGE's recovery of its clean-up costs.

**Benning Road Site.** In September 2010, PHI received a letter from EPA identifying the Benning Road site as one of six land-based sites potentially contributing to contamination of the lower Anacostia River. A portion of the site was formerly the location of a Pepco Energy Services electric generating facility. That generating facility was deactivated in June 2012 and plant structure demolition was completed in July 2015. The remaining portion of the site consists of a Pepco transmission and distribution service center that remains in operation. In December 2011, the U.S. District Court for the District of Columbia approved a consent decree entered into by Pepco and Pepco Energy Services with the DOEE, which requires Pepco and Pepco Energy Services to conduct a Remediation Investigation (RI)/ Feasibility Study (FS) for the Benning Road site and an approximately 10 to 15 acre portion of the adjacent Anacostia River. The RI/FS will form the basis for the remedial actions for the Benning Road site and for the Anacostia River sediment associated with the site. The consent decree does not obligate Pepco or Pepco Energy Services to pay for or perform any remediation work, but it is anticipated that DOEE will look to Pepco and Pepco Energy Services to assume responsibility for cleanup of any conditions in the river that are determined to be attributable to past activities at the Benning Road site.

The initial RI field work began in January 2013 and was completed in December 2014. In April 2015, Pepco and Pepco Energy Services submitted a draft RI Report to DOEE. After review, DOEE determined that additional field investigation and data analysis was required to complete the RI process (much of which was beyond the scope of the original DOEE-approved RI work plan). In the meantime, Pepco and Pepco Energy Services revised the draft RI Report to address DOEE's comments and DOEE released the draft RI Report for public review in February 2016. Once the additional RI work has been completed, Pepco and Pepco Energy Services will issue a draft "final" RI report for review and comment by DOEE and the public. Pepco and Pepco Energy Services will then proceed to develop an FS to evaluate possible remedial alternatives for submission to DOEE. The Court has established a schedule for completion of the RI and FS, and approval by the DOEE, by June 2018.

Upon DOEE's approval of the final RI and FS Reports, Pepco and Pepco Energy Services will have satisfied their obligations under the consent decree. At that point, DOEE will prepare a Proposed Plan regarding further response actions. After considering public comment on the Proposed Plan, DOEE will issue a Record of Decision identifying any further response actions determined to be necessary.

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

PHI, Pepco and Pepco Energy Services have determined that a loss associated with this matter for PHI, Pepco and Pepco Energy Services is probable and an estimated liability for this issue has been accrued, which is included in the table above. As the remedial investigation proceeds and potential remedies are identified, it is possible that additional accruals could be established in amounts that could be material to PHI, Pepco and Pepco Energy Services. Pursuant to Exelon's March 2016 acquisition of PHI, Pepco Energy Services was transferred to Generation. The ultimate resolution of this matter is currently not expected to have any significant financial impact on Generation.

**Anacostia River Tidal Reach .** Contemporaneous with the Benning RI/FS being performed by Pepco and Pepco Energy Services, DOEE and certain federal agencies have been conducting a separate RI/FS focused on the entire tidal reach of the Anacostia River extending from just north of the Maryland-D.C. boundary line to the confluence of the Anacostia and Potomac Rivers. In March 2016, DOEE released a draft of the river-wide RI Report for public review and comment. The river-wide RI incorporated the results of the river sampling performed by Pepco and Pepco Energy Services as part of the Benning RI/FS, as well as similar sampling efforts conducted by owners of other sites adjacent to this segment of the river and supplemental river sampling conducted by DOEE's contractor. DOEE asked Pepco, along with parties responsible for other sites along the river, to participate in a "Consultative Working Group" to provide input into the process for future remedial actions addressing the entire tidal reach of the river and to ensure proper coordination with the other river cleanup efforts currently underway, including cleanup of the river segment adjacent to the Benning Road site resulting from the Benning Road RI/FS. Pepco responded that it will participate in the Consultative Working Group but its participation is not an acceptance of any financial responsibility beyond the work that will be performed at the Benning Road site described above. DOEE has advised the Consultative Working Group that the federal and DOEE authorities are conducting phase 2 of a remedial investigation. DOEE has targeted June 2018 as the date for remedy selection for clean-up of sediments in this section of the river. The Consultative Working Group and the other possible PRPs have provided input into the proposed clean-up process and schedule. At this time, it is not possible to predict the extent of Pepco's participation in the river-wide RI/FS process, and Pepco cannot estimate the reasonably possible range of loss for response costs beyond those associated with the Benning RI/FS component of the river-wide initiative. It is possible, however, that resolution of this matter could have a material, unfavorable impact on Exelon's and Pepco's future results of operations and cash flows.

**Conectiv Energy Wholesale Power Generation Sites.** In July 2010, PHI sold the wholesale power generation business of Conectiv Energy Holdings, Inc. and substantially all of its subsidiaries (Conectiv Energy) to Calpine Corporation (Calpine). Under New Jersey's Industrial Site Recovery Act (ISRA), the transfer of ownership to Calpine triggered an obligation on the part of Conectiv Energy to remediate any environmental contamination at each of the nine Conectiv Energy generating facility sites located in New Jersey. Under the terms of the sale, Calpine assumed responsibility for performing the ISRA-required remediation and for the payment of all related ISRA compliance costs up to \$10 million. Predecessor PHI was obligated to indemnify Calpine for any ISRA compliance remediation costs in excess of \$10 million. According to PHI's estimates, the costs of ISRA-required remediation activities at the 9 generating facility sites are in the range of approximately \$7 million to \$18 million, and predecessor PHI established an appropriate accrual for its share of the estimated clean-up costs. Pursuant to Exelon's March 2016 acquisition of PHI, the Conectiv Energy legal entity was transferred to Generation and the accrual for Predecessor PHI's share of the estimated clean-up costs was also transferred to Generation and is included in the table above as a liability of Generation. The responsibility to indemnify Calpine is shared by PHI and Generation. The ultimate resolution of this matter is currently not expected to have a material financial impact on PHI and Generation.

**Rock Creek Mineral Oil Release.** In late August 2015, a Pepco underground transmission line in the District of Columbia suffered a breach, resulting in the release of non-toxic mineral oil surrounding the

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

transmission line into the surrounding soil, and a small amount reached Rock Creek through a storm drain. Pepco notified regulatory authorities, and Pepco and its spill response contractors placed booms in Rock Creek, blocked the storm drain to prevent the release of mineral oil into the creek and commenced remediation of soil around the transmission line and the Rock Creek shoreline. Pepco estimates that approximately 6,100 gallons of mineral oil were released and that its remediation efforts recovered approximately 80% of the amount released. Pepco's remediation efforts are ongoing under the direction of the DOEE, including the requirements of a February 29, 2016 compliance order which requires Pepco to prepare a full incident investigation report and prepare a removal action work plan to remove all impacted soils in the vicinity of the storm drain outfall, and in collaboration with the National Park Service, the Smithsonian Institution/National Zoo and EPA. Pepco's investigation presently indicates that the damage to Pepco's facilities occurred prior to the release of mineral oil when third-party excavators struck the Pepco underground transmission line while installing cable for another utility.

To the extent recovery is available against any party who contributed to this loss, PHI and Pepco will pursue such action. Exelon, PHI and Pepco continue to investigate the cause of the incident, the parties involved, and legal responsibility under District of Columbia law, but do not believe that the remediation costs to resolve this matter will have a material adverse effect on their respective financial condition, results of operations or cash flows.

**Brandywine Fly Ash Disposal Site.** In February 2013, Pepco received a letter from the MDE requesting that Pepco investigate the extent of waste on a Pepco right-of-way that traverses the Brandywine fly ash disposal site in Brandywine, Prince George's County, Maryland, owned by NRG Energy, Inc (as successor to GenOn MD Ash Management, LLC) (NRG). In July 2013, while reserving its rights and related defenses under a 2000 agreement covering the sale of this site, Pepco indicated its willingness to investigate the extent of, and propose an appropriate closure plan to address, ash on the right-of-way. Pepco submitted a schedule for development of a closure plan to MDE on September 30, 2013 and, by letter dated October 18, 2013, MDE approved the schedule.

Exelon, PHI and Pepco have determined that a loss associated with this matter is probable and have estimated that the costs for implementation of a closure plan and cap on the site are in the range of approximately \$3 million to \$6 million, for which an appropriate reserve has been established and is included in the table above. Exelon, PHI and Pepco believe that the costs incurred in this matter will be recoverable from NRG under the 2000 sale agreement.

**Litigation and Regulatory Matters**

***Asbestos Personal Injury Claims (Exelon, Generation, ComEd, PECO and BGE)***

***Exelon, Generation and PECO.*** Generation maintains a reserve for claims associated with asbestos-related personal injury actions in certain facilities that are currently owned by Generation or were previously owned by ComEd and PECO. The reserve is recorded on an undiscounted basis and excludes the estimated legal costs associated with handling these matters, which could be material.

At June 30, 2017 and December 31, 2016, Generation had reserved approximately \$81 million and \$83 million, respectively, in total for asbestos-related bodily injury claims. As of June 30, 2017, approximately \$21 million of this amount related to 224 open claims presented to Generation, while the remaining \$59 million of the reserve is for estimated future asbestos-related bodily injury claims anticipated to arise through 2050, based on actuarial assumptions and analyses, which are updated on an annual basis. On a quarterly basis, Generation monitors actual experience against the number of forecasted claims to be received and expected claim payments and evaluates whether an adjustment to the reserve is necessary.

On November 22, 2013, the Supreme Court of Pennsylvania held that the Pennsylvania Workers Compensation Act does not apply to an employee's disability or death resulting from occupational disease, such