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November 27, 2012

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17105-3265

**Subject:** Supplemental Data Re: Rate Credit Due to a Change in Accounting  
for Repairs for Tax Purposes as Required Under the Settlement at  
Docket No. R-2010-2161575 filed October 4, 2011

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission, for informational purposes, a copy of the Tax Form 3315 filed with the Internal Revenues Service to implement the change in accounting for repairs for income tax purposes. Please include this data with the above referenced docket. IRS Regulations require that the affected form be filed with the Commission.

Please direct any questions you have to Alan B. Cohn at 215-841-5769.

Sincerely,



enclosures

# Application for Change in Accounting Method

Name of filer (name of parent corporation if a consolidated group) (see instructions)  <b>EXELON CORPORATION</b> Number, street, and room or suite no. If a P.O. box, see the instructions. <b>10 S. DEARBORN STREET, 51ST FLOOR</b> City or town, state, and ZIP code <b>CHICAGO, IL 60603</b>	Identification number (see instructions) <b>23-2990190</b> Principal business activity code number (see instructions) <b>551112</b> Tax year of change begins (MM/DD/YYYY) <b>01/01/2010</b> Tax year of change ends (MM/DD/YYYY) <b>12/31/2010</b> Name of contact person (see instructions) <b>SHARON KAY</b>
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Name of applicant(s) (if different than filer) and identification number(s) (see instructions) <b>SEE ATTACHED STATEMENTS</b>	Contact person's telephone number <b>(202) 327-6556</b>
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If the applicant is a member of a consolidated group, check this box  **X**

If Form 2848, Power of Attorney and Declaration of Representative, is attached (see instructions for when Form 2848 is required), check this box  **X**

<b>Check the box to indicate the type of applicant.</b> <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Controlled foreign corporation (Sec. 957) <input type="checkbox"/> 10/50 corporation (Sec. 904(d)(2)(E)) <input type="checkbox"/> Qualified personal service corporation (Sec. 448(d)(2)) <input type="checkbox"/> Exempt organization. Enter Code section ▶ _____	<b>Check the appropriate box to indicate the type of accounting method change being requested.</b> (see instructions) <input type="checkbox"/> Depreciation or Amortization <input type="checkbox"/> Financial Products and/or Financial Activities of Financial Institutions <input checked="" type="checkbox"/> Other (specify) ▶ <b>ASSET RETIREMENTS UNDER SECTIONS 165, 167 AND 168</b>
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**Caution:** To be eligible for approval of the requested change in method of accounting, the taxpayer must provide all information that is relevant to the taxpayer or to the taxpayer's requested change in method of accounting. This includes all information requested on this Form 3115 (including its instructions), as well as any other information that is not specifically requested.  
 The taxpayer must attach all applicable supplemental statements requested throughout this form.

### Part I Information For Automatic Change Request

	Yes	No
<b>1</b> Enter the applicable designated automatic accounting method change number for the requested automatic change. Enter only one designated automatic accounting method change number, except as provided for in guidance published by the IRS. If the requested change has no designated automatic accounting method change number, check "Other," and provide both a description of the change and citation of the IRS guidance providing the automatic change. See instructions. ▶ (a) Change No. <u>147</u> (b) Other <input type="checkbox"/> Description ▶ _____		
<b>2</b> Do any of the scope limitations described in section 4.02 of Rev. Proc. 2008-52 cause automatic consent to be unavailable for the applicant's requested change? If "Yes," attach an explanation		<b>X</b>

**Note:** Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).

### Part II Information For All Requests

	Yes	No
<b>3</b> Did or will the applicant cease to engage in the trade or business to which the requested change relates, or terminate its existence, in the tax year of change (see instructions)? If "Yes," the applicant is not eligible to make the change under automatic change request procedures.		<b>X</b>
<b>4a</b> Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)? If "No," go to line 5.	<b>X</b>	
<b>b</b> Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)?		<b>X</b>

**Signature (see instructions)**

Under penalties of perjury, I declare that I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief, the application contains all the relevant facts relating to the application, and it is true, correct, and complete. Declaration of preparer (other than applicant) is based on all information of which preparer has any knowledge.

<p style="text-align: center;"><b>Filer</b></p> <p style="text-align: center;">Signature and date <u>9/1/2011</u></p> <p style="text-align: center;">THOMAS D. TERRY, VP &amp; GENERAL TAX OFFICER          Name and title (print or type)</p>	<p style="text-align: center;"><b>Preparer (other than filer/applicant)</b></p> <p style="text-align: center;">Signature of individual preparing the application and date <u>9/1/11</u></p> <p style="text-align: center;"><b>TRISHA SQUIRES</b>          Name of individual preparing the application (print or type)</p>
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ERNST & YOUNG U.S. LLP  
 Name of firm preparing the application

Part II Information For All Requests (continued)

4 c Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)?
d Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)?
e Is the request to change the method of accounting being filed under the 90-day or 120-day window period?
f If you answered "Yes" to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination.
g Has a copy of this Form 3115 been provided to the examining agent identified on line 4f?
5 a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court?
b Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a?
c Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member) (see instructions)?
6 If the applicant answered "Yes" to line 4a and/or 5a with respect to any present or former consolidated group, attach a statement that provides each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court.
7 If, for federal income tax purposes, the applicant is either an entity (including a limited liability company) treated as a partnership or an S corporation, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity?
8 a Does the applicable revenue procedure (advance consent or automatic consent) state that the applicant does not receive audit protection for the requested change (see instructions)?
b If "Yes," attach an explanation.
9 a Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in method of accounting within the past 5 years (including the year of the requested change)?
b If "Yes," for each trade or business, attach a description of each requested change in method of accounting (including the tax year of change) and state whether the applicant received consent.
c If any application was withdrawn, not perfected, or denied, or if a Consent Agreement granting a change was not signed and returned to the IRS, or the change was not made or not made in the requested year of change, attach an explanation.
10 a Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in method of accounting, or technical advice?
b If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in method of accounting, or technical advice), and the specific issue(s) in the request(s).
11 Is the applicant requesting to change its overall method of accounting?
Present method: [ ] Cash [ ] Accrual [ ] Hybrid (attach description)
Proposed method: [ ] Cash [ ] Accrual [ ] Hybrid (attach description)

<b>Part II Information For All Requests (continued)</b>			Yes	No
<b>12</b>	If the applicant is either (i) not changing its overall method of accounting, or (ii) is changing its overall method of accounting and also changing to a special method of accounting for one or more items, attach a detailed and complete description for each of the following: SEE ATTACHED STATEMENT			
	<b>a</b> The item(s) being changed.			
	<b>b</b> The applicant's present method for the item(s) being changed.			
	<b>c</b> The applicant's proposed method for the item(s) being changed.			
	<b>d</b> The applicant's present overall method of accounting (cash, accrual, or hybrid).			
<b>13</b>	Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe: whether each trade or business is accounted for separately; the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application. SEE ATTACHED STATEMENT			
<b>14</b>	Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions . . . . . If "No," attach an explanation. SEE ATTACHED STATEMENT		X	
<b>15a</b>	Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)? . . . . .			X
	<b>b</b> If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application.			
<b>16</b>	Does the applicant request a conference with the IRS National Office if the IRS proposes an adverse response? . . . .		X	
<b>17</b>	If the applicant is changing to either the overall cash method, an overall accrual method, or is changing its method of accounting for any property subject to section 263A, any long-term contract subject to section 460, or inventories subject to section 474, enter the applicant's gross receipts for the 3 tax years preceding the tax year of change.			
	1st preceding year ended: mo. N/A yr.	2nd preceding year ended: mo. N/A yr.	3rd preceding year ended: mo. N/A yr.	
	\$	\$	\$	

<b>Part III Information For Advance Consent Request N/A</b>			Yes	No
<b>18</b>	Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? . . . . . If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent request procedures.			
<b>19</b>	Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. Also, include either a discussion of the contrary authorities or a statement that no contrary authority exists.			
<b>20</b>	Attach a copy of all documents related to the proposed change (see instructions).			
<b>21</b>	Attach a statement of the applicant's reasons for the proposed change.			
<b>22</b>	If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed? . . . . . If "No," attach an explanation.			
<b>23 a</b>	Enter the amount of user fee attached to this application (see instructions). ▶ \$ _____			
	<b>b</b> If the applicant qualifies for a reduced user fee, attach the required information or certification (see instructions).			

<b>Part IV Section 481(a) Adjustment</b>			Yes	No
<b>24</b>	Does the applicable revenue procedure, revenue ruling, notice, regulation, or other published guidance require the applicant to implement the requested change in method of accounting on a cut-off basis rather than a section 481(a) adjustment? . . . . . If "Yes," do not complete lines 25, 26, and 27 below.			X
<b>25</b>	Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ▶ \$ _____ SEE ATTACHED STMT Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant. SEE ATTACHED STATEMENT			

<b>Part IV Section 481(a) Adjustment (continued)</b>		Yes	No
26	If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change?		X
27	Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties? If "Yes," attach an explanation.		X

**Schedule A - Change in Overall Method of Accounting (If Schedule A applies, Part I below must be completed.) N/A**

**Part I Change in Overall Method (see instructions) N/A**

1 Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.

	Amount
a Income accrued but not received (such as accounts receivable)	\$
b Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method	
c Expenses accrued but not paid (such as accounts payable)	
d Prepaid expenses previously deducted	
e Supplies on hand previously deducted and/or not previously reported	
f Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II	
g Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment.	
h <b>Net section 481(a) adjustment</b> (Combine lines 1a-1g.) Indicate whether the adjustment is an increase (+) or decrease (-) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 25.	\$

2 Is the applicant also requesting the recurring item exception under section 461(h)(3)?  Yes  No

3 Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. Also attach a statement specifying the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, attach a statement explaining the differences.

**Part II Change to the Cash Method For Advance Consent Request (see instructions) N/A**

Applicants requesting a change to the cash method must attach the following information:

- 1 A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
- 2 An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.

**Schedule B - Change to the Deferral Method for Advance Payments (see instructions) N/A**

1 If the applicant is requesting to change to the Deferral Method for advance payments described in section 5.02 of Rev. Proc. 2004-34, 2004-1 C.B. 991, attach the following information:

- a A statement explaining how the advance payments meet the definition in section 4.01 of Rev. Proc. 2004-34.
  - b If the applicant is filing under the automatic change procedures of Rev. Proc. 2008-52, the information required by section 8.02(3)(a)-(c) of Rev. Proc. 2004-34.
  - c If the applicant is filing under the advance consent provisions of Rev. Proc. 97-27, the information required by section 8.03(2)(a)-(f) of Rev. Proc. 2004-34.
- 2 If the applicant is requesting to change to the deferral method for advance payments described in Regulations section 1.451-5(b)(1)(ii), attach the following.
- a A statement explaining how the advance payments meet the definition in Regulations section 1.451-5(a)(1).
  - b A statement explaining what portions of the advance payments, if any, are attributable to services, whether such services are integral to the provisions of goods or items, and whether any portions of the advance payments that are attributable to non-integral services are less than five percent of the total contract prices. See Regulations sections 1.451-5(a)(2)(i) and (3).
  - c A statement explaining that the advance payments will be included in income no later than when included in gross receipts for purposes of the applicant's financial reports. See Regulations section 1.451-5(b)(1)(ii).
  - d A statement explaining whether the inventoriable goods exception of Regulations section 1.451-5(c) applies and if so, when substantial advance payments will be received under the contracts, and how the exception will limit the deferral of income.

**Schedule C - Changes Within the LIFO Inventory Method (see instructions) N/A****Part I General LIFO Information** N/A

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all Forms 970, Application To Use LIFO Inventory Method, filed to adopt or expand the use of the LIFO method.

- 1 Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items:
  - a Valuing inventory (e.g., unit method or dollar-value method).
  - b Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, vehicle-pool method, etc.).
  - c Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIC method, etc.).
  - d Determining the current-year cost of goods in the ending inventory (i.e., most recent acquisitions, earliest acquisitions during the current year, average cost of current-year acquisitions, or other permitted method).
- 2 If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation.
- 3 If the proposed change is not requested for all the LIFO inventory, attach a statement specifying the inventory to which the change is and is not applicable.
- 4 If the proposed change is not requested for all of the LIFO pools, attach a statement specifying the LIFO pool(s) to which the change is applicable.
- 5 Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, identify which inventory items are valued under each method.
- 6 If changing to the IPIC method, attach a completed Form 970.

**Part II Change in Pooling Inventories** N/A

- 1 If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.
- 2 If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2):
  - a A description of the types of products produced by the applicant. If possible, attach a brochure.
  - b A description of the types of processes and raw materials used to produce the products in each proposed pool.
  - c If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, state the reasons for the separate facilities, the location of each facility, and a description of the products each facility produces.
  - d A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
  - e A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool.
  - f A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
  - g A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing.
- 3 If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3).
- 4 If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c).

**Schedule D - Change in the Treatment of Long-Term Contracts Under Section 460, Inventories, or Other Section 263A Assets (see instructions) N/A**

**Part I Change in Reporting Income From Long-Term Contracts (Also complete Part III on pages 7 and 8.) N/A**

- 1 To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts. Also, attach a representative actual contract (without any deletion) for the requested change. If the applicant is a construction contractor, attach a detailed description of its construction activities.
- 2 a Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)?  Yes  No  
 b If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)?  Yes  No  
 If line 2b is "No," attach an explanation.  
 c If line 2b is "Yes," is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)?  Yes  No  
 d If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)?  Yes  No  
 If line 2d is "Yes," attach an explanation of what cost comparison the applicant will use to determine a contract's completion factor.  
 If line 2d is "No," attach an explanation of what method the applicant is using and the authority for its use.
- 3 a Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)?  Yes  No  
 b If "Yes," attach an explanation of the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts.  
 c Attach a description of the applicant's manufacturing activities, including any required installation of manufactured goods.
- 4 To determine a contract's completion factor using the percentage-of-completion method:  
 a Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)?  Yes  No  
 b If line 4a is "No," is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))?  Yes  No
- 5 Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

**Part II Change in Valuing Inventories Including Cost Allocation Changes (Also complete Part III on pages 7 and 8.) N/A**

- 1 Attach a description of the inventory goods being changed.
- 2 Attach a description of the inventory goods (if any) NOT being changed.
- 3 a Is the applicant subject to section 263A? If "No," go to line 4a  Yes  No  
 b Is the applicant's present inventory valuation method in compliance with section 263A (see instructions)?  Yes  No  
 If "No," attach a detailed explanation

4 a Check the appropriate boxes below.

Identification methods:

- Specific identification
- FIFO
- LIFO
- Other (attach explanation)

Valuation methods:

- Cost
- Cost or market, whichever is lower
- Retail cost
- Retail, lower of cost or market
- Other (attach explanation)

Inventory Being Changed		Inventory Not Being Changed
Present method	Proposed method	Present method

- b Enter the value at the end of the tax year preceding the year of change
- 5 If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information (see instructions).  
 a Copies of Form(s) 970 filed to adopt or expand the use of the method.  
 b Only for applicants requesting advance consent. A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method.  
 c Only for applicants requesting an automatic change. The statement required by section 22.01(5) of the Appendix of Rev. Proc. 2008-52 (or its successor).

**Part III Method of Cost Allocation** (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions)). N/A

**Section A - Allocation and Capitalization Methods** N/A

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method).
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method).

**Section B - Direct and Indirect Costs Required To Be Allocated** N/A

Check the appropriate boxes showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark "N/A" in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.

	Present method	Proposed method
1 Direct material		
2 Direct labor		
3 Indirect labor		
4 Officers' compensation (not including selling activities)		
5 Pension and other related costs		
6 Employee benefits		
7 Indirect materials and supplies		
8 Purchasing costs		
9 Handling, processing, assembly, and repackaging costs		
10 Offsite storage and warehousing costs		
11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle		
12 Depletion		
13 Rent		
14 Taxes other than state, local, and foreign income taxes		
15 Insurance		
16 Utilities		
17 Maintenance and repairs that relate to a production, resale, or long-term contract activity		
18 Engineering and design costs (not including section 174 research and experimental expenses)		
19 Rework labor, scrap, and spoilage		
20 Tools and equipment		
21 Quality control and inspection		
22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant		
23 Licensing and franchise costs		
24 Capitalizable service costs (including mixed service costs)		
25 Administrative costs (not including any costs of selling or any return on capital)		
26 Research and experimental expenses attributable to long-term contracts		
27 Interest		
28 Other costs (Attach a list of these costs.)		

**Part III Method of Cost Allocation** (see instructions) (continued) N/A

**Section C - Other Costs Not Required To Be Allocated** (Complete Section C only if the applicant is requesting to change its method for these costs.) N/A

	Present method	Proposed method
1 Marketing, selling, advertising, and distribution expenses . . . . .		
2 Research and experimental expenses not included in Section B, line 26 . . . . .		
3 Bidding expenses not included in Section B, line 22 . . . . .		
4 General and administrative costs not included in Section B . . . . .		
5 Income taxes . . . . .		
6 Cost of strikes . . . . .		
7 Warranty and product liability costs . . . . .		
8 Section 179 costs . . . . .		
9 On-site storage . . . . .		
10 Depreciation, amortization, and cost recovery allowance not included in Section B, line 11 . . . . .		
11 Other costs (Attach a list of these costs.) . . . . .		

**Schedule E - Change in Depreciation or Amortization** (see instructions) N/A

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants **must** provide this information for each item or class of property for which a change is requested.

**Note.** See the **List of Automatic Accounting Method Changes** in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400I, 1400L, or former section 168. Do not file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? . . . . .  Yes  No  
If "Yes," the only changes permitted are under Regulations section 1.167(a)-11(c)(1)(iii).
- 2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)? . . . . .  Yes  No  
If "Yes," enter the applicable section ▶
- 3 Has a depreciation, amortization, or expense election been made for the property (e.g., the election under sections 168(f)(1), 179, or 179C)? . . . . .  Yes  No  
If "Yes," state the election made ▶
- 4 a To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity.
  - b If the property is residential rental property, did the applicant live in the property before renting it? . . . . .  Yes  No
  - c Is the property public utility property? . . . . .  Yes  No
- 5 To the extent not already provided in the applicant's description of its present method, attach a statement explaining how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc.).
- 6 If the property is not currently treated as depreciable or amortizable property, attach a statement of the facts supporting the proposed change to depreciate or amortize the property.
- 7 If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information for both the present (if applicable) and proposed methods:
  - a The Code section under which the property is or will be depreciated or amortized (e.g., section 168(g)).
  - b The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674, for each asset depreciated under section 168 (MACRS) or under section 1400L; the applicable asset class from Rev. Proc. 83-35, 1983-1 C.B. 745, for each asset depreciated under former section 168 (ACRS); an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant.
  - c The facts to support the asset class for the proposed method.
  - d The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1)).
  - e The useful life, recovery period, or amortization period of the property.
  - f The applicable convention of the property.
  - g A statement of whether or not the additional first-year special depreciation allowance (for example, as provided by section 168(k), 168(l), 168(m), 168(n), 1400L(b), or 1400N(d)) was or will be claimed for the property. If not, also provide an explanation as to why no special depreciation allowance was or will be claimed.



**Exelon Corporation**  
**Attachment to Form 3115**  
**For Disposition of Tangible Depreciable Assets**  
**Under Appendix § 6.25 of Rev. Proc. 2011-14**

**EIN: 23-2990190**  
**Year Ending December 31, 2010**

As required by section 6.03(4)(b) of Rev. Proc. 2011-14, the name and telephone number of the examining agent is:

Name: John Cooke  
 Telephone Number: (312) 394-8588

Taxpayer certifies that it has requested the written consent of the Director to the filing of the application and Taxpayer will maintain a copy of such consent (when obtained) available for inspection.

**Page 2, Part II, Line 5a**

Taxpayer is before an appeals office for the following taxable years:

Exelon Corporation (successor to Unicom Corporation)  
Officer                      Telephone Number                      Tax Years  
 Richard Anderson      (312) 582-6822                      10/2000 - 2006

Unicom Corporation  
Officer                      Telephone Number                      Tax Years  
 Richard Anderson      (312) 582-6822                      1999 – 10/2000

Taxpayer is before Court of Federal Claims for the following taxable years:

AmerGen Energy Company  
Counsel                      Telephone Number                      Tax Years  
 Cory A. Johnson      (202) 307-3046                      2001 - 2003

**Page 2, Part II, Line 6**

<u>Name</u>	<u>EIN</u>	<u>Address</u>	<u>Tax Years</u>	<u>Examination/Appeals</u>
Exelon Corporation	23-2990190	10 S. Dearborn St, 51 <sup>st</sup> Floor Chicago, IL 60603	2007 – 2009	Examination
Exelon Corporation	23-2990190	10 S. Dearborn St, 51 <sup>st</sup> Floor Chicago, IL 60603	10/2000 – 2006	Appeals

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Page 2, Part II, Lines 9a, 9b, 9c, 10a and 10b

**Tax Year Ending December 31, 2006**

Exelon Ventures Company, LLC (EIN: 23-3064477) requested to change its method of accounting for capitalizable mixed service costs using a reasonable allocation method as described in Treas. Reg. §1.263A-1(f)(4). The request was withdrawn after the IRS indicated that they were averse to granting the request because it was determined to be an issue under consideration.

AmerGen Energy Company, LLC (EIN: 23-2921417) requested a change to its method of accounting for capitalizable mixed service costs using a reasonable allocation method as described in Treas. Reg. §1.263A-1(f)(4). The request was withdrawn after the IRS indicated that they were averse to granting the request because it was determined to be an issue under consideration.

**Tax Year Ending December 31, 2007**

ExTex LaPorte, LLP (EIN: 23-3069719) requested a change to its method of accounting for the deduction of annual incentive plan payments under IRC § 461. The request was granted.

AmerGen Energy Company, LLC (EIN: 23-2921417) requested a change to its method of accounting for the deduction of annual incentive plan payments under IRC § 461. The request was granted.

Exelon Corporation (EIN: 23-2990190) requested a change to its method of accounting for the deduction of annual incentive plan payments under IRC § 461. The request was granted.

Exelon Ventures Company, LLC (EIN: 23-3064477) and Exelon Allowance Management Company, LLC (EIN: 23-3099161) requested a change to their methods of accounting for costs associated with acquiring emission allowances, as well as, the recovery of emission allowance costs pursuant to Rev. Proc. 92-91. The request was granted.

PECO Energy Company (EIN: 23-0970240) requested a change to its method of accounting for deducting public utility realty taxes pursuant to IRC § 461(h)(3), the recurring item exception. The request was granted.

**Tax Year Ending December 31, 2008**

Exelon Corporation (EIN: 23-2990190) filed a change in method of accounting under the automatic consent procedures of Rev. Proc. 2008-52, Appendix 10.05, for amounts

**Exelon Corporation**  
**Attachment to Form 3115**  
**For Disposition of Tangible Depreciable Assets**  
**Under Appendix § 6.25 of Rev. Proc. 2011-14**

**EIN: 23-2990190**  
**Year Ending December 31, 2010**

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paid or incurred to facilitate an acquisition of a trade or business under Treas. Reg. § 1.263(a)-5.

Exelon Corporation (EIN: 23-2990190) filed a change in method of accounting under the automatic consent procedures of Rev. Proc. 2008-52, Appendix 10.05, for amounts paid or incurred to facilitate the creation of an intangible under Treas. Reg. § 1.263(a)-4.

Commonwealth Edison Company (EIN: 36-0938600) filed a change in method of accounting under the automatic consent procedures of Rev. Proc. 2008-52, Appendix 19.02, for deducting real estate taxes under IRC §461.

**Tax Year Ending December 31, 2009**

Exelon Corporation (EIN: 23-2990190) requested to change its method of accounting for deducting routine repair and maintenance costs related to generation assets under IRC §162. The request was granted.

PECO Energy Company (EIN: 23-0970240) requested to change its method of accounting to include certain amounts in federal income tax depreciable basis at the time such amounts are incurred under IRC § 404 and § 461, and will begin depreciating such amounts when incurred and when the property to which the amounts are capitalized are placed in service. The request was granted.

Exelon Corporation (EIN: 23-2990190) filed a change in method of accounting under the automatic consent procedures of Rev. Proc. 2008-52, Appendix 10.5 for recognizing into income state income tax refunds under IRC § 451.

Exelon Corporation (EIN: 23-2990190) filed a change in method of accounting under the automatic consent procedures of Rev. Proc. 2008-52, Appendix 10.5 for expensing amounts related to state income tax liabilities under IRC § 461, and applying the recurring item exception under IRC § 461(h)(3).

**Tax Year Ending December 31, 2010**

PECO Energy Company (EIN: 23-0970240) is concurrently filing a request to change its method of accounting for incidental repair and maintenance costs properly deductible under § 162 that are currently capitalized associated with its electric transmission and distribution assets. The change is being filed under the automatic change provisions of Rev. Proc. 2011-14 and the safe harbor method described in Rev. Proc. 2011-43.

PECO Energy Company (EIN: 23-0970240) requested to change its method of accounting with respect to excluding certain over recoveries of a balancing account,

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i.e., revenues collected in excess of actual costs incurred, from taxable income in accordance with Revenue Ruling 2003-39, as well as supporting case law.

**Letter Rulings**

Exelon Corporation (EIN: 23-23990190) has requested a ruling that all of the consideration paid to acquire the assets of a wind generation trade or business must be allocated to the wind energy facilities and none to facility-specific power purchase agreements. The ruling request impacts the year ending December 31, 2010. The ruling request is currently pending.

Exelon Corporation (EIN:23-2990190), as successor to AmerGen Energy Company LLC (EIN: 23-2921417), has requested rulings pursuant to IRC Sec. 468A(f) of the Internal Revenue Code and Sec. 1.468A-8 of the Income Tax Regulations for a schedule of deduction amounts and for a mandatory revised schedule of ruling amounts under IRC Sec. 468A(f)(3) with respect to nuclear decommissioning reserve funds established for Three Mile Island Generating Station Unit One and Oyster Creek Generating Station . The ruling requests impact the years ending December 31, 2006 through December 31, 2008. The ruling requests are currently pending.

**Page 3, Part II, Line 12**

**a) The item being changed:**

The Taxpayer is requesting a change in its units of property determinations for retirements of depreciable tangible property associated with all of its electric transmission and distribution assets ("Network"). Specifically, the Taxpayer wishes to be consistent for retirement purposes and for purposes of determining whether an expenditure is an otherwise deductible repair under Treas. Reg. §1.162-4 or a capital improvement under § 263(a). To ensure consistency under the proposed methods of accounting, the Taxpayer is requesting to change its unit of property determinations for retirements of depreciable tangible property concurrently.

**b) The applicant's present method for the item being changed:**

Under the Taxpayer's present method of accounting for federal income tax purposes, Taxpayer follows its regulatory method of accounting for the retirements of certain fixed assets that are subject to the Federal Energy Regulatory Commission's Electric Uniform System of Accounts. The Taxpayer has historically retired minor components of its electric transmission and distribution assets, and IRS has accepted such treatment on exam as permissible. This treatment is not consistent with the placed in service date for depreciation purposes. The Taxpayer is using the functional interdependence test for determining the placed-in-service dates of units of property for depreciation purposes.

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c) The applicant's proposed method for the item being changed:

Under the Taxpayer's proposed method of accounting, the Taxpayer's units of property for retirement purposes will be the units of property, as specifically defined within the safe harbor method of Rev. Proc. 2011-43, used for purposes of determining whether an expenditure is an otherwise deductible repair under Treas. Reg. §1.162-4 or a capital improvement under § 263(a) and the regulations thereunder. Additionally, any major component of the units that is treated as a capital improvement will be treated as a retirement unit of property. The proposed method would treat major components of electric transmission & distribution assets, rather than minor components, as the appropriate unit for retirements. The Taxpayer is not changing what is the asset (the unit of property) for determining when depreciation begins (the placed-in-service date). The Taxpayer believes that it is more appropriate to be consistent with the repairs determination than with the placed-in-service standard historically applied to electric transmission and distribution assets. Additionally, improvements are required to be treated as separate for depreciation purposes under § 168(i)(6), but because they are improvements to a unit of property, should generally be treated as part of the unit of property to which the improvements were made for retirement purposes. See, also, Treas. Reg. §1.1016-2, which states that the cost or other basis shall be properly adjusted for any expenditure, receipt, loss, or other item, properly chargeable to capital account, including the cost of improvements and betterments made to the property.

**Representations and Legal Analysis**

As required by section 6.25 of the Appendix of Rev. Proc. 2011-14, the Taxpayer makes the following representations and provides the unit of property legal analysis:

The Taxpayer is not changing what is the asset (the unit of property) for determining when depreciation begins (the placed-in-service date). The Taxpayer believes that it is more appropriate to be consistent with the repairs determination than with the placed in service standard historically applied to electric transmission and distribution assets. The Taxpayer has historically retired minor components of its electric transmission and distribution assets, and IRS has accepted such treatment on exam as permissible. Additionally, improvements are required to be treated as separate for depreciation purposes under § 168(i)(6), but because they are improvements to a unit of property, should generally be treated as part of the unit of property to which the improvements were made for retirement purposes.

The Taxpayer represents that none of the assets subject to the Taxpayer's Form 3115 is subject to a general asset account election under § 168(i)(4) and the regulations thereunder.

The Taxpayer represents that none of the assets subject to the Taxpayer's Form 3115 is subject to a mass asset account election under former § 168(d)(2)(A).

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The Taxpayer represents that the depreciation for all of the assets subject to the Taxpayer's Form 3115 is not determined in accordance with Treas. Reg. §1.167 (a)-11 (regarding the Class Life Asset Depreciation Range System (ADR))

The Taxpayer represents that none of the assets subject to the Taxpayer's Form 3115 is subject to the repair allowance under Treas. Reg. §1.167(a)-11(d)(2) (including expenditures incurred after December 31, 1980, that were for the repair, maintenance, rehabilitation, or improvement of property placed in service by the Taxpayer before January 1, 1981).

The Taxpayer represents that none of the assets subject to the Taxpayer's Form 3115 was disposed of in a transaction to which a nonrecognition section of the Code applies (for example, § 1031, transactions subject to § 168(i)(7)).

The Taxpayer represents that none of the cost (or a portion thereof) of the assets subject to Taxpayer's Form 3115 is expensed or amortized under any provision of the Code, regulations, or other published guidance in the Internal Revenue Bulletin (for example, § 179D, § 1400I).

Section 165(a) allows a deduction for any loss sustained during the taxable year and not compensated for by insurance or otherwise. Section 165(b) states that the amount of the deduction for a loss is the adjusted basis, as provided in § 1011. Therefore, losses arising from the permanent withdrawal of depreciable property from use in a trade or business or in the production of income are governed by § 165(a).

Treas. Reg. §1.165-1(b) provides that, to be allowable as a deduction under § 165(a), a loss must be evidenced by a closed and completed transaction, fixed by an identifiable event, and, except as provided in § 165(h) and Treas. Reg. §1.165-11, actually sustained during the taxable year. Treas. Reg. §1.165-1(d)(1) provides that a loss is treated as sustained during the taxable year in which the loss occurs, as evidenced by a closed and completed transaction, and as fixed by an identifiable event occurring in such taxable year.

Neither §165 nor the regulations thereunder define a unit of property for purposes of taking a loss.

Treas. Reg. §1.165-2(c) cross-references the depreciation regulations in Treas. Reg. §1.167(a)-8(a) for the allowance under § 165(a) of losses arising from the permanent withdrawal of depreciable property from use in a trade or business or in the production of income. Thus, the regulations under § 167 also contain rules for determining when a disposition has occurred.

The depreciation allowable for depreciable tangible property placed in service after 1986 is generally determined under § 168. Section 168 provides for a Modified Accelerated Cost Recovery System ("MACRS") for determining depreciation deductions for recovery

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property. Prop. Reg. §1.168-6(a), which relates to certain pre-MACRS property (i.e., generally, property placed in service after 1980 and before 1987) and which the IRS National Office has cited in a MACRS context, proposes rules governing the disposition of recovery property. Notably, Prop. Reg. §1.168-6 excludes the retirement of a structural component of real property from the definition of “disposition.” (Prop. Reg. §1.168-2(l)(1)) Rather, Prop. Reg. §1.168-6(b)(1) provides that a taxpayer will not recognize a loss upon the retirement of a replaced roof and, instead, will continue to recover the unadjusted basis of the replaced roof over the remaining period.

In addition, prior to the issuance of Prop. Reg. §1.168-6, Congress evidenced its intent to eliminate component depreciation for buildings and structural components in the legislative history to the Economic Recovery Tax Act of 1981. (H. Rep. No. 97-215; 97th Congress; 1st Session; H.R. 4242 (Joint Explanatory Statement of the Committee of Conference)). Specifically, Congress stated:

The recovery period and method the taxpayer selects must be used for the building as a whole, including all structural components that are real property (e.g., wiring, plumbing, etc.). Component depreciation no longer may be used.

The legislative history also provides:

However, Congress did not intend a retirement of a structural component of the building to be a disposition requiring recognition of gain or loss. Thus, if the roof wears out, no loss is recognized upon retirement, and the unadjusted basis of the building is not reduced (i.e., cost recovery continues over the remaining recovery period). If the roof is replaced, the unadjusted basis of the new roof is recovered over a new recovery period beginning in the month it is placed in service.

Absent the aforementioned provisions regarding the retirement of buildings and structural components thereof, limited guidance exists for purposes of determining the proper method of accounting for retirement of depreciable tangible property other than buildings. It is clear that Congress did not intend to provide a similar rule applicable to tangible personal property. As such § 168 and the legislative history are fully consistent with the proposed method. Thus, the Taxpayer believes its present method of accounting for retirement of depreciable tangible property, as described above in Item 12b, is not impermissible under current law principles. (Treas. Reg. §1.167(a)-11(d)(2)(vi)(e)) relating to repair allowance rules provides that “a part in or a component or portion of an existing identifiable unit of property (whether or not such part, component, or portion is also an identifiable unit of property)” can be retired in a retirement in which gain or loss is recognized). Notwithstanding, the Taxpayer desires to conform its method of accounting for retirement of depreciable tangible property to the units of property that will be used based on the proposed contemporaneous change in accounting method for repair and maintenance costs.

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The taxpayer agrees to the following additional terms and conditions:

(i) a normalization method of accounting (within the meaning of former § 167 (l) (3) (G), former § 168 (e) (3) (B), or § 168 (i) (9), as applicable) will be used for the public utility property subject to the application;

(ii) as of the beginning of the year of change, the taxpayer will adjust its deferred tax reserve account or similar reserve account in the taxpayer's regulatory books of account by the amount of the deferral of federal income tax liability associated with the § 481 (a) adjustment applicable to the public utility property subject to the application; and

(iii) within 30 calendar days of filing the federal income tax return for the year of change, the taxpayer will provide a copy of the completed application to any regulatory body having jurisdiction over the public utility property subject to the application.

d) The applicant's present overall method of accounting:

The Taxpayer's overall method of accounting is the accrual method.

**Page 3, Part II, Line 13**

The Taxpayer is engaged principally in the purchase and regulated retail sale of electricity and the provision of transmission and distribution services to retail customers as well as the purchase and regulated retail sale of natural gas and the provision of distribution services to retail customers. The Principal Business Activity Code of the Taxpayer is 221100.

**Page 3, Part II, Line 14**

Because the principles for capitalization under generally accepted accounting principles may not be the same as the rules for income tax purposes, the Taxpayer will not make the change requested above for financial reporting purposes if such change is not already an established book reporting method.

**Page 3, Part II, Line 16**

If it is tentatively determined that Taxpayer has changed its method of accounting without complying with all the applicable provisions of Rev. Proc. 2011-14, the privilege of a conference is hereby requested. To arrange the time and place of such a conference, please contact the Taxpayer's representative:

Sharon Kay  
(202) 327-6556  
(866) 758-2561 (fax)

Ernst & Young LLP  
1101 New York Avenue, N.W.  
Washington, DC 20005

**Page 3, Part IV, Line 25**

Estimated positive § 481(a) adjustment:

§ 481(a) Adjustment (Increase in Computing Taxable Income) \$ 5,521,935

Based on an initial due diligence analysis, the Taxpayer has estimated the § 481 (a) adjustment to the above amounts and believes that the above reflected § 481(a) is a reasonable estimate. If the Taxpayer determines that the calculation of the § 481(a) adjustment needs further refinement, then the Taxpayer will provide an updated § 481(a) adjustment, if necessary.

The Taxpayer recognized retirement losses for components removed during otherwise deductible repairs and maintenance activities for assets retired beginning January 1, 2005 through December 31, 2009. Under the proposed method, the amounts would have been continued to be depreciated over the remaining tax recovery period. The difference between the current method and proposed method is the remaining basis in the components. The change in accounting method for retirements will be recognized in full in the year of change.

# Power of Attorney and Declaration of Representative

▶ Type or print. ▶ See the separate instructions.

OMB No. 1545-0150  
**For IRS Use Only**  
 Received by:  
 Name \_\_\_\_\_  
 Telephone \_\_\_\_\_  
 Function \_\_\_\_\_  
 Date \_\_\_\_\_

**Part 1 Power of Attorney**

**Caution:** Form 2848 will not be honored for any purpose other than representation before the IRS.

**1 Taxpayer information.** Taxpayer(s) must sign and date this form on page 2, line 9.

Taxpayer name(s) and address  EXELON CORPORATION 10 S DEARBORN STREET, 51ST FLOOR CHICAGO, IL 60603	Social security number(s)   Daytime telephone number (312) 394-7777	Employer identification number 23-2990190 Plan number (if applicable)
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hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

**2 Representative(s) must sign and date this form on page 2, Part II.**

Name and address SHARON KAY ERNST & YOUNG U.S. LLP 1101 NEW YORK AVE, N.W. WASHINGTON, DC 20005	CAF No. <u>N/A</u> Telephone No. <u>(202) 327-6556</u> Fax No. <u>(866) 758-2561</u> Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> FAX No. <input type="checkbox"/>
Name and address TRISHA SQUIRES ERNST & YOUNG U.S. LLP 155 NORTH WACKER DRIVE CHICAGO, IL 60606	CAF No. <u>N/A</u> Telephone No. <u>(312) 879-3505</u> Fax No. <u>(866) 278-2506</u> Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> FAX No. <input type="checkbox"/>
Name and address	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> FAX No. <input type="checkbox"/>

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

**3 Tax matters**

Type of Tax (Income, Employment, Excise, etc.) or Civil Penalty (see the instructions for line 3)	Tax Form Number (1040, 941, 720, etc.)	Year(s) or Period(s) (see the instructions for line 3)
INCOME TAX	FORM 3115	2010

**4 Specific use not recorded on Centralized Authorization File (CAF).** If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4. Specific uses not recorded on CAF . . . . .

**5 Acts authorized.** The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative or add additional representatives, the power to sign certain returns, or the power to execute a request for disclosure of tax returns or return information to a third party. See the line 5 instructions for more information.

**Exceptions.** An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations. See **Unenrolled Return Preparer** on page 1 of the instructions. An enrolled actuary may only represent taxpayers to the extent provided in section 10.3(d) of Treasury Department Circular No. 230 (Circular 230). An enrolled retirement plan administrator may only represent taxpayers to the extent provided in section 10.3(e) of Circular 230. See the line 5 instructions for restrictions on tax matters partners. In most cases, the student practitioner's (levels k and l) authority is limited (for example, they may only practice under the supervision of another practitioner).

List any specific additions or deletions to the acts otherwise authorized in this power of attorney: THE AUTHORITY TO  
SUBSTITUTE OR DELEGATE TO ANOTHER REPRESENTATIVE IN REGARD TO THE ABOVE TAX MATTERS.

**6 Receipt of refund checks.** If you want to authorize a representative named on line 2 to receive, **BUT NOT TO ENDORSE OR CASH**, refund checks, initial here \_\_\_\_\_ and list the name of that representative below.

Name of representative to receive refund check(s) ▶

Form 2848 (Rev. 6-2008)

Page 2

7 Notices and communications. Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2.

a If you also want the second representative listed to receive a copy of notices and communications, check this box 
b If you do not want any notices or communications sent to your representative(s), check this box

8 Retention/revocation of prior power(s) of attorney. The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you do not want to revoke a prior power of attorney, check here. 
YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.

9 Signature of taxpayer(s). If a tax matter concerns a joint return, both husband and wife must sign if joint representation is requested, otherwise, see the instructions. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.

Signature: [Handwritten Signature] Date: 9/1/2011
Print Name: THOMAS D. TERRY Title: VP & GENERAL TAX OFFICER
PIN Number: [ ] [ ] [ ] [ ] [ ] Print name of taxpayer from line 1 if other than individual: EXELON CORPORATION
Signature: [ ] Date: [ ] Title: [ ]
Print Name: [ ] PIN Number: [ ] [ ] [ ] [ ] [ ]

Part II Declaration of Representative

Caution: Students with a special order to represent taxpayers in qualified Low Income Taxpayer Clinics or the Student Tax Clinic Program (levels k and l), see the instructions for Part II.

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service;
I am aware of regulations contained in Circular 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others;
I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there; and
I am one of the following:
a Attorney - a member in good standing of the bar of the highest court of the jurisdiction shown below.
b Certified Public Accountant - duly qualified to practice as a certified public accountant in the jurisdiction shown below.
c Enrolled Agent - enrolled as an agent under the requirements of Circular 230.
d Officer - a bona fide officer of the taxpayer's organization.
e Full-Time Employee - a full-time employee of the taxpayer.
f Family Member - a member of the taxpayer's immediate family (for example, spouse, parent, child, brother, or sister).
g Enrolled Actuary - enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Internal Revenue Service is limited by section 10.3(d) of Circular 230).
h Unenrolled Return Preparer - the authority to practice before the Internal Revenue Service is limited by Circular 230, section 10.7(c)(1)(viii). You must have prepared the return in question and the return must be under examination by the IRS. See Unenrolled Return Preparer on page 1 of the instructions.
k Student Attorney - student who receives permission to practice before the IRS by virtue of their status as a law student under section 10.7(d) of Circular 230.
l Student CPA - student who receives permission to practice before the IRS by virtue of their status as a CPA student under section 10.7(d) of Circular 230.
r Enrolled Retirement Plan Agent - enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10.3(e)).

IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED. See the Part II instructions.

Table with 4 columns: Designation - Insert above letter (a-r), Jurisdiction (state) or identification, Signature, Date. Rows include 'b' for MO, DC and 'a' for CH, with handwritten signatures and dates.