

EXELON CORP
Form 424B2
March 29, 2017
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying base prospectus are not an offer to sell these securities, and are not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS SUPPLEMENT DATED MARCH 29, 2017

PROSPECTUS SUPPLEMENT

(To Prospectus Dated May 23, 2014)

\$1,150,000,000

Exelon Corporation

% Junior Subordinated Notes due 2022

This prospectus supplement relates to the remarketing of \$1,150,000,000 aggregate principal amount of our 2.50% junior subordinated notes due 2024 (the "Original Notes"), originally issued as components of our Equity Units issued in June 2014 (the "Equity Units"). The Equity Units were initially issued in the form of a Corporate Unit consisting of a purchase contract issued for shares of our common stock and a 1/20, or a 5%, undivided beneficial ownership interest in \$1,000 principal amount of the Original Notes. This remarketing is on behalf of holders of the Corporate Units. As used herein, the term "Junior Subordinated Notes" refers to the Original Notes after the remarketing.

The Original Notes are being remarketed into \$1,150,000,000 aggregate principal amount of % Junior Subordinated Notes due 2022. The Junior Subordinated Notes will be sold with accrued interest at an annual rate of 2.50% from, and including, March 1, 2017 to, but excluding, , 2017. From and after , 2017, the interest rate on the Original Notes will be reset to % per year. The interest on Junior Subordinated Notes will be payable semi-annually in arrears on June 1 and December 1 of each year, beginning on June 1, 2017. The Junior Subordinated Notes will mature on June 1, 2022.

The Junior Subordinated Notes will be subordinated to all of our existing and future Senior Indebtedness (as defined under DESCRIPTION OF THE JUNIOR SUBORDINATED NOTES Subordination). In addition, the Junior Subordinated Notes will be effectively subordinated to all liabilities of our subsidiaries.

At any time on or after May 1, 2022 (1 month prior to the maturity date of the Junior Subordinated Notes), the Junior Subordinated Notes may be redeemed, at our option, in whole or in part, at a redemption price equal to 100% of the principal amount of the Junior Subordinated Notes then outstanding to be redeemed plus accrued and unpaid interest on the principal amount being redeemed to, but excluding, the redemption date. See DESCRIPTION OF THE JUNIOR SUBORDINATED NOTES Redemption.

Investing in the Junior Subordinated Notes involves risks. For a description of these risks, see Risk Factors on page S-4 of this prospectus supplement, the Risk Factors section of our most recent Annual Report (as defined below) incorporated by reference herein and in our other reports we file with the Securities and Exchange Commission (the SEC) that are incorporated by reference herein.

Per Junior Subordinated Note	Public Offering Price ⁽¹⁾	%	Remarketing Fee ⁽²⁾⁽³⁾	%
Total	\$		\$	

(1) Plus interest accrued at an annual rate of 2.50% from, and including, March 1, 2017, to, but excluding, the date of delivery of the Junior Subordinated Notes, which must be paid by the purchasers thereof.

(2) We will not directly receive any proceeds from this remarketing. See USE OF PROCEEDS on page S-6.

(3) We will pay all fees and expenses of the remarketing agents.

This prospectus supplement does not constitute an offer to sell or the solicitation of an offer to buy the Equity Units or any other securities issued by us other than the Junior Subordinated Notes offered hereby. The information contained herein regarding the Equity Units is qualified in its entirety by reference to Exelon Corporation's prospectus dated May 23, 2014 and the related prospectus supplement dated June 11, 2014, pursuant to which the Equity Units were issued on June 17, 2014.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The Junior Subordinated Notes are expected to be delivered in book-entry form only through The Depository Trust Company (DTC) including Clearstream Banking, société anonyme and/or Eurostream Bank S.A./N.V., against payment in New York, New York, on or about _____, 2017.

The offering of the notes by the remarketing agents is subject to receipt and acceptance and subject to the remarketing agents' right to reject any order in whole or in part.

Joint Book-Running Remarketing Agents

**BofA Merrill Lynch
Credit Agricole CIB**

**Citigroup
Credit Suisse**
Senior Co-Managing Remarketing Agent

**Goldman, Sachs & Co.
PNC Capital Markets LLC**

Loop Capital Markets

The date of this prospectus supplement is , 2017.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying base prospectus are each part of an automatic shelf registration statement on Form S-3 that we filed with the SEC as a well-known seasoned issuer as defined in Rule 405 of the Securities Act of 1933, as amended (the Securities Act). Under the shelf registration process, we may from time to time offer and sell to the public any or all of the securities described in the registration statement in one or more offerings. This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of the Junior Subordinated Notes and certain other matters relating to us and our financial condition. The second part, which is the accompanying base prospectus, gives more general information about the securities we may offer from time to time, some of which does not apply to the Junior Subordinated Notes we are offering at this time. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. To the extent the description of the Junior Subordinated Notes in the prospectus supplement differs from the description of the securities and Junior Subordinated Notes in the accompanying base prospectus, you should only rely on the information in the prospectus supplement.

You should rely only on the information contained in this document or to which this document refers you, or in other offering materials filed by us with the SEC. We have not authorized anyone, and we have not authorized the remarketing agents to authorize anyone, to provide you with different information. We take no responsibility for, and can provide no assurance as to the reliability of, any different or inconsistent information. This document may only be used where it is legal to sell these securities. The information which appears in this document and which is incorporated by reference in this document may only be accurate as of the date of this prospectus supplement or the date of the document in which incorporated information appears. Our business, financial condition, results of operations and prospects may have changed since the date of such information.

The accompanying prospectus includes and other documents incorporated or deemed incorporated by reference herein may include information about our subsidiaries Exelon Generation Company, LLC (Generation), Commonwealth Edison Company (ComEd), PECO Energy Company (PECO), Baltimore Gas and Electric Company (BGE), Pepco Holdings LLC (formerly Pepco Holdings, Inc.) (PHI), Potomac Electric Power Company (Pepco), Delmarva Power & Light Company (DPL) and Atlantic City Electric Company (ACE) and their securities. Exelon, Generation, ComEd, PECO, BGE, PHI, Pepco, DPL and ACE file combined reports under the Securities Exchange Act of 1934, as amended (the Exchange Act). Information contained in the combined reports relating to each of Exelon, Generation, ComEd, PECO, BGE, PHI, Pepco, DPL and ACE is filed separately by such registrant on its own behalf and only the information related to Exelon is incorporated by reference in this prospectus supplement and the accompanying prospectus. Exelon does not make any representations as to information relating to any other registrant or securities issued by any other registrant and you should not rely on any information relating to any registrant other than Exelon in determining whether to invest in the Junior Subordinated Notes.

When we refer to Exelon, the Company, we, us or our in this prospectus supplement, we mean Exelon and, unless context otherwise indicates, does not include any of our subsidiaries or affiliates.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public from the SEC's web site at www.sec.gov or from our web site at www.exeloncorp.com. However, the information that appears on our website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

We are incorporating by reference into this prospectus certain information we file with the SEC. This means we are disclosing important information to you by referring you to the documents containing the information. The information we incorporate by reference is considered to be part of this prospectus. Information that we file later with the SEC that is deemed incorporated by reference into this prospectus (but not information deemed pursuant to the SEC's rules to be furnished to and not filed with the SEC) will automatically update and supersede information previously included.

The accompanying prospectus includes and other documents incorporated or deemed incorporated by reference herein may include information about our subsidiaries Exelon, Generation, ComEd, PECO, BGE, PHI, Pepco, DPL and ACE and their securities. Exelon, Generation, ComEd, PECO, BGE, PHI, Pepco, DPL and ACE file combined reports under the Exchange Act. Information contained in the combined reports relating to each of Exelon, Generation, ComEd, PECO, BGE, PHI, Pepco, DPL and ACE is filed separately by such registrant on its own behalf and only the information related to Exelon is incorporated by reference in this prospectus supplement and the accompanying prospectus. Exelon does not make any representations as to information relating to any other registrant or securities issued by any other registrant and you should not rely on any information relating to any registrant other than Exelon in determining whether to invest in the Junior Subordinated Notes.

We are incorporating by reference into this prospectus the documents listed below relating to Exelon and any subsequent filings Exelon makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding any documents, or any portions of documents, deemed pursuant to the SEC's rules to be furnished and not filed with the SEC) until the remarketing is consummated or terminated:

Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC on February 13, 2017 (the "Annual Report");

Definitive Proxy Statement on Schedule 14A filed with the SEC on March 15, 2017; and

Current Report on Form 8-K filed with the SEC on March 10, 2017.

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FORWARD-LOOKING INFORMATION

This prospectus and the documents incorporated or deemed incorporated by reference as described under the section **INCORPORATION OF CERTAIN INFORMATION BY REFERENCE** contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act that are not based entirely on historical facts and are subject to risks and uncertainties. Words such as believes, anticipates, expects, intends, plans, predicts and estimates and similar expressions are intended to identify forward-looking statements but are not the only means to identify those statements. We intend for any forward-looking statements to be covered by, and we claim the protection under, the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on assumptions, expectations and assessments made by our management in light of their experience and their perception of historical results and trends, current conditions, expected future developments and other factors they believe to be appropriate that often involve judgments, estimates, assumptions and projections. Forward-looking statements reflect current views about our plans, strategies and prospects, which are based on information currently available. Although we believe that our plans, intentions and expectations as reflected in or suggested by any forward-looking statements are reasonable, we do not guarantee or give assurance that such plans, intentions or expectations will be achieved. Actual results are subject to risks and uncertainties and may differ materially from our anticipated results described or implied in our forward-looking statements, and such differences may be due to a variety of factors.

The factors that could cause actual results to differ materially from the forward-looking statements include: (a) any risk factors discussed in this prospectus; (b) those factors discussed in the following sections of Exelon's Annual Report, which is incorporated herein by reference: (1) ITEM 1A. Risk Factors, (2) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, (3) ITEM 8. Financial Statements and Supplementary Data and (4) Note 24: Commitments and Contingencies (All Registrants) to the consolidated financial statements; and (c) other factors discussed herein and in other filings with the SEC by Exelon, which are incorporated or deemed incorporated by reference herein, as applicable. Our business could also be affected by additional factors that are presently unknown to us or that we currently believe to be immaterial to our business.

You are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date on which they are made. We do not undertake any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date as of which any such forward-looking statement is made.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary contains basic information about this offering. It may not contain all the information that is important to you. The DESCRIPTION OF THE JUNIOR SUBORDINATED NOTES section of this prospectus supplement and the DESCRIPTION OF SECURITIES section of the accompanying base prospectus contain more detailed information regarding the terms and conditions of the Junior Subordinated Notes. The following summary is qualified in its entirety by reference to the more detailed information appearing elsewhere in this prospectus supplement and in the accompanying base prospectus.

Exelon Corporation

Our Company

Exelon Corporation, incorporated in Pennsylvania in February 1999, is a utility services holding company engaged, through Generation, in the energy generation business and, through ComEd, PECO, BGE, PHI, Pepco, DPL and ACE, in the energy delivery business. Exelon's principal executive offices are located at 10 South Dearborn Street, Chicago, Illinois 60603, and its telephone number is (800) 483-3220.

Generation's integrated business consists of the generation, physical delivery and marketing of power across multiple geographical regions through its customer-facing business, Constellation Energy, which sells electricity and natural gas to both wholesale and retail customers. Generation also sells renewable energy and other energy-related products and services. Generation has six reportable segments consisting of the Mid-Atlantic, Midwest, New England, New York, ERCOT and Other Regions.

ComEd's energy delivery business consists of the purchase and regulated retail sale of electricity and the provision of electricity transmission and distribution services to retail customers in northern Illinois, including the City of Chicago.

PHI is a utility services holding company engaged, through its reportable segments Pepco, DPL and ACE, in the energy delivery business. On March 23, 2016, Pepco Holdings, Inc., converted from a Delaware corporation to a Delaware limited liability company, Pepco Holdings LLC.

PECO's energy delivery business consists of the purchase and regulated retail sale of electricity and the provision of electricity transmission and distribution services to retail customers in southeastern Pennsylvania, including the City of Philadelphia, as well as the purchase and regulated retail sale of natural gas and the provision of natural gas distribution services to retail customers in the Pennsylvania counties surrounding the City of Philadelphia.

BGE's energy delivery business consists of the purchase and regulated retail sale of electricity and the provision of electricity transmission and distribution services to retail customers in central Maryland, including the City of Baltimore, as well as the purchase and regulated retail sale of natural gas and the provision of natural gas distribution services to retail customers in central Maryland, including the City of Baltimore.

Pepco's energy delivery business consists of the purchase and regulated retail sale of electricity and the provision of electricity transmission and distribution services to retail customers in the District of Columbia and major portions of Montgomery County and Prince George's County in Maryland.

DPL's energy delivery business consists of the purchase and regulated retail sale of electricity and the provision of electricity transmission and distribution services to retail customers in portions of Delaware and Maryland, as well as the purchase and regulated retail sale of natural gas and the provision of natural gas distribution services to retail

customers in portions of New Castle County in Delaware.

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ACE's energy delivery business consists of the purchase and regulated retail sale of electricity and the provision of electricity transmission and distribution services to retail customers in portions of southern New Jersey.

The Offering

The Junior Subordinated Notes

We are offering on behalf of holders of the Corporate Units \$1,150,000,000 aggregate principal amount of the Junior Subordinated Notes. The Junior Subordinated Notes will mature on June 1, 2022.

The Junior Subordinated Notes will be sold with accrued interest at an annual rate of 2.50% from, and including, March 1, 2017 to, but excluding, _____, 2017.

The Junior Subordinated Notes will be issued in the form of one or more global securities in fully registered form initially in the name of Cede & Co., as nominee of DTC, or such other name as may be requested by an authorized representative of DTC. This means that you will not receive a security for your Junior Subordinated Notes but, instead, will hold your interest through DTC's system. The global securities will be deposited with DTC and may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any nominee to a successor of DTC or a nominee of such successor. See BOOK-ENTRY PROCEDURES AND SETTLEMENT.

Interest

Interest on the Junior Subordinated Notes will be payable semi-annually in arrears on June 1 and December 1 (each, an Interest Payment Date). The first interest payment following this remarketing will be made on June 1, 2017 and will include interest accrued (i) at an annual rate of 2.50% from, and including, March 1, 2017 to, but excluding, _____, 2017 and (ii) at an annual rate of _____% from, and including, _____, 2017 to, but excluding, June 1, 2017. On and after _____, 2017, the Junior Subordinated Notes will bear interest at _____% per year.

Record Dates

So long as the Junior Subordinated Notes remain in book-entry only form, the record date for each Interest Payment Date will be the close of business on the business day before the applicable Interest Payment Date.

If the Junior Subordinated Notes are not in book-entry only form, the record date for each Interest Payment Date will be the fifteenth day of the calendar month immediately preceding the calendar month in which the applicable Interest Payment Date falls (or, if such day is not a business day, the next preceding business day).

Ranking

The Junior Subordinated Notes will be subordinated to all of our existing and future Senior Indebtedness. In addition, the Junior Subordinated Notes will be effectively subordinated to all liabilities of our subsidiaries. See

DESCRIPTION OF THE JUNIOR SUBORDINATED NOTES Subordination and DESCRIPTION OF THE JUNIOR SUBORDINATED NOTES Ranking.

Redemption

At any time on or after May 1, 2022 (1 month prior to the maturity date of the Junior Subordinated Notes), the Junior Subordinated Notes may be redeemed, at our option, in whole or in part, at at a redemption price equal

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to 100% of the principal amount of the Junior Subordinated Notes then outstanding to be redeemed plus accrued and unpaid interest on the principal amount being redeemed to, but excluding, the redemption date. See DESCRIPTION OF THE JUNIOR SUBORDINATED NOTES Redemption.

No Listing of the Junior Subordinated Notes

The Junior Subordinated Notes are not listed and we do not plan to apply to list the Junior Subordinated Notes on any securities exchange or to include them in any automated quotation system.

Use of Proceeds

We are conducting the remarketing on behalf of holders of the Corporate Units and will not directly receive any proceeds therefrom. The proceeds will be used to purchase a portfolio of treasury securities maturing on or about May 31, 2017. We expect that a portion of the funds generated upon maturity of the portfolio will be used to settle with us the purchase contracts entered into as a part of the Equity Units (the Purchase Contracts) on June 1, 2017. See USE OF PROCEEDS.

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RISK FACTORS

*Your investment in the Junior Subordinated Notes involves certain risks. Our business is influenced by many factors that are difficult to predict, involve uncertainties that may materially affect actual results and are often beyond our control. We have identified a number of these factors under the section **RISK FACTORS** in our Annual Report, which is incorporated by reference in this prospectus supplement. In consultation with your own financial and legal advisers, you should carefully consider, among other matters, the discussions of risks that we have incorporated by reference before deciding whether an investment in the Junior Subordinated Notes is suitable for you. See **INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**.*

Risks Relating to the Junior Subordinated Notes

There may be no public market for the Junior Subordinated Notes.

We can give no assurances concerning the liquidity of any markets that may develop for the Junior Subordinated Notes offered by this prospectus supplement, the ability of any investor to sell any of the Junior Subordinated Notes or the price at which investors would be able to sell them. If markets for the Junior Subordinated Notes do not develop, investors may be unable to resell the Junior Subordinated Notes for an extended period of time, if at all. If markets for the Junior Subordinated Notes do develop, they may not continue or may not be sufficiently liquid to allow holders to resell any of the Junior Subordinated Notes. In addition, the condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market prices of the Junior Subordinated Notes. Consequently, investors may not be able to liquidate their investment readily or at the price they desire, and lenders may not readily accept the Junior Subordinated Notes as collateral for loans.

The Indenture (as defined below) does not restrict the amount of additional debt that we may incur.

The Junior Subordinated Notes and the Indenture pursuant to which the Junior Subordinated Notes will be issued do not place any limitation on the amount of indebtedness that we or our subsidiaries may incur. As of December 31, 2016, we had approximately \$34.6 billion principal amount of outstanding long-term debt, including long-term debt to financing trusts and the portion of long-term debt due within one year, on a consolidated basis. Our incurrence of additional debt may have important consequences for you as a holder of the Junior Subordinated Notes, including making it more difficult for us to satisfy our obligations with respect to the Junior Subordinated Notes, a loss in the trading value of your Junior Subordinated Notes and a risk that one or more of the credit ratings of the Junior Subordinated Notes are lowered or withdrawn.

The Junior Subordinated Notes are subordinated to our existing and future Senior Indebtedness.

The Junior Subordinated Notes are subordinated to our existing and future Senior Indebtedness (as defined under **DESCRIPTION OF THE JUNIOR SUBORDINATED NOTES** Subordination). The Indenture under which the Junior Subordinated Notes will be issued will not restrict us or our subsidiaries from incurring substantial additional indebtedness in the future. As of December 31, 2016, we had approximately \$32.9 billion principal amount of outstanding long-term debt, including the portion of long-term debt due within one year and excluding long-term debt to financing trusts, on a consolidated basis that will be senior to the Junior Subordinated Notes.

Our debt, including the Junior Subordinated Notes, is effectively subordinated to the debt of our subsidiaries.

The Junior Subordinated Notes are obligations exclusively of Exelon and will not be guaranteed by any of our subsidiaries. Because we are a holding company with no material assets other than our ownership interests in our subsidiaries and all of our operations are conducted by our subsidiaries, our debt is effectively subordinated

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to all existing and future debt, trade credit and other liabilities of our subsidiaries. Our rights, and hence the rights of our creditors, to participate in any distribution of assets of any subsidiary upon its liquidation or reorganization or otherwise would be subject to the prior claims of that subsidiary's creditors, except to the extent that our claims as a creditor of such subsidiary may be recognized. As of December 31, 2016, our subsidiaries had outstanding approximately \$27.7 billion of long-term debt, including long-term debt to financing trusts and the portion of long-term debt due within one year. The Indenture will not restrict our or our subsidiaries' ability to incur additional indebtedness.

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USE OF PROCEEDS

The remarketing agents are remarketing \$1,150,000,000 aggregate principal amount of the Original Notes on behalf of holders of the Corporate Units.

We will not directly receive any proceeds from the remarketing. The proceeds will be used to purchase a portfolio of treasury securities maturing on or about May 31, 2017. We expect that a portion of the funds generated upon maturity of the portfolio will be used to settle with us the Purchase Contracts on June 1, 2017.

We currently intend to use the proceeds from the settlement of the Purchase Contracts for general corporate purposes. To the extent we do not use such proceeds immediately, we may temporarily invest them in short-term, interest-bearing obligations.

Table of Contents**CAPITALIZATION AND SHORT TERM-BORROWINGS**

The table below shows Exelon's consolidated capitalization and short-term borrowings as of December 31, 2016. The "As Adjusted" column reflects our capitalization after giving effect to this remarketing of the Original Notes. We will not directly receive any cash proceeds from this remarketing, and the table does not reflect the settlement of the Purchase Contracts, which is expected to take place on June 1, 2017. You should read this table along with our audited financial statements contained in our Annual Report. See "INCORPORATION OF CERTAIN INFORMATION BY REFERENCE" and "USE OF PROCEEDS."

(in millions)	December 31, 2016	
	Actual	As Adjusted ⁽¹⁾
Short-term borrowings	\$ 1,267	\$ 1,267
Long-term debt:		
Long-term debt, including long-term debt to financing trusts ⁽²⁾	33,496	33,496
Junior Subordinated Notes offered hereby		1,150
Original Notes	1,150	
Total long-term debt	34,646	34,646
Shareholders' equity	25,837	25,837
Total capitalization and short-term borrowings	\$ 61,750	\$ 61,750

(1) Assumes that all Original Notes will be remarketed for Junior Subordinated Notes.

(2) Includes approximately \$2,430 million of long-term debt due within one year.

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The following are Exelon's consolidated ratios of earnings to fixed charges for each of the periods indicated:

Years Ended December 31,				
2016	2015	2014	2013	2012
2.0x	3.2x	2.7x	2.6x	2.4x

The ratio of earnings to fixed charges represents, on a pre-tax basis, the number of times earnings cover fixed charges. Earnings consist of pre-tax net income from continuing operations after adjustment for income from equity investees and capitalized interest or allowance for funds used during construction, to which has been added fixed charges. Fixed charges consist of interest costs and amortization of debt discount and premium on all indebtedness and estimated interest portion of all rental expense.

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DESCRIPTION OF THE JUNIOR SUBORDINATED NOTES

In this Description of the Junior Subordinated Notes, Exelon, we, us, our and the Company refer only to Exelon Corporation, and not to any of its subsidiaries.

The following summary description sets forth certain terms and provisions of the Junior Subordinated Notes, and, to the extent inconsistent therewith, replaces the descriptions set forth in the accompanying base prospectus under the caption DESCRIPTION OF SECURITIES, to which we refer you. Because this description is a summary, it does not describe every aspect of the Junior Subordinated Notes and should be read together with the form of the Junior Subordinated Notes, the Subordinated Indenture (defined below under Ranking), the First Supplemental Indenture (defined below under Ranking) establishing the terms of the Original Notes, and the Second Supplemental Indenture, which will redesignate the Original Notes as the Junior Subordinated Notes. The Subordinated Indenture and the First Supplemental Indenture were included as exhibits to our Form 8-K filed with the SEC on June 23, 2014 and our Annual Report, which is incorporated by reference herein. In this summary, we refer to the Subordinated Indenture, as supplemented by the First Supplemental Indenture and the Second Supplemental Indenture, together, as the Indenture.

The Indenture and its associated documents contain the full legal text of the matters described in this section. The Indenture has been qualified under the Trust Indenture Act of 1939, as amended (the Trust Indenture Act), and you should refer to the Trust Indenture Act for provisions that apply to the Junior Subordinated Notes.

General

The Junior Subordinated Notes will be our unsecured and subordinated obligations and will be subordinated to all of our Senior Indebtedness (as defined under Subordination). Additional information about our current outstanding indebtedness and the relative priorities of our indebtedness is described below under Ranking.

The Junior Subordinated Notes will be initially represented by one or more fully registered global securities (the global securities) deposited with the Trustee (as defined below under Ranking), as custodian for DTC, as depository, and registered in the name of DTC or DTC's nominee. A beneficial interest in a global security will be shown on, and transfers or exchanges thereof will be effected only through, records maintained by DTC and its participants, as described below under BOOK-ENTRY PROCEDURES AND SETTLEMENT. The authorized denominations of the Junior Subordinated Notes will be \$1,000 and any larger amount that is an integral multiple of \$1,000. Except in certain circumstances described below, the Junior Subordinated Notes that are issued as global securities will not be exchangeable for Junior Subordinated Notes in definitive certificated form.

The Junior Subordinated Notes will be limited in aggregate principal amount to \$1,150,000,000. The Junior Subordinated Notes will not be subject to a sinking fund provision or repayable at the option of the holders. Pursuant to Section 701 of the Subordinated Indenture and Sections 2.07 and 8.01 of the First Supplemental Indenture, after the Purchase Contracts' settlement date, the Junior Subordinated Notes will be subject to satisfaction and discharge.

The entire principal amount of the Junior Subordinated Notes will mature and become due and payable, together with any accrued and unpaid interest thereon, on June 1, 2022. The Indenture will not contain any financial covenants or restrict us from paying dividends, making investments, incurring indebtedness or repurchasing our securities. Except for the covenant described below under Consolidation, Merger or Sale, the Indenture will not contain provisions that afford holders of the Junior Subordinated Notes protection in the event we are involved in a highly leveraged transaction or other similar transaction that may adversely affect such holders. The Indenture will not limit our ability to issue or incur other debt or issue preferred stock.

The Junior Subordinated Notes will be sold with accrued interest at an annual rate of 2.50% from, and including, March 1, 2017 to, but excluding, _____, 2017.

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We will not pay any additional amounts to holders of the Junior Subordinated Notes that are not U.S. persons in respect of any tax, assessment or governmental charge.

Ranking

The Original Notes were issued by us under our Indenture (for Unsecured Subordinated Debt Securities), dated as of June 17, 2014 (the Subordinated Indenture), between us and The Bank of New York Mellon Trust Company, N.A. (the Trustee), as supplemented by the First Supplemental Indenture, dated as of June 17, 2014 (the First Supplemental Indenture). The Original Notes will be redesignated as the % Junior Subordinated Notes due 2022. We may issue, under the Subordinated Indenture, additional debt securities that rank on parity with the Junior Subordinated Notes. See Subordination.

The Junior Subordinated Notes will be unsecured and will rank junior in payment to all of our existing and future Senior Indebtedness, as described under Subordination. The Junior Subordinated Notes will also be effectively subordinated to all liabilities of our subsidiaries. A significant portion of our existing indebtedness is Senior Indebtedness. See Subordination.

Because we are a holding company and conduct all of our operations through our subsidiaries, our ability to meet our obligations under the Junior Subordinated Notes will be dependent on the earnings and cash flows of those subsidiaries and the ability of those subsidiaries to pay dividends or to advance or repay funds to us. Holders of the Junior Subordinated Notes will generally have a junior position to claims of creditors of our subsidiaries, including trade creditors, debtholders, secured creditors, taxing authorities, guarantee holders and any preferred stockholders. As of December 31, 2016, we had approximately \$32.9 billion principal amount of outstanding long-term debt, including the portion of long-term debt due within one year and excluding long-term debt to financing trusts, on a consolidated basis that will be senior to the Junior Subordinated Notes. Additionally, as of December 31, 2016, our subsidiaries had approximately \$27.7 billion principal amount of outstanding long-term debt, including long-term debt to financing trusts and the portion of long-term debt due within one year. The provisions of the Indenture do not limit the amount of indebtedness or preferred stock issuable by our subsidiaries. We and our subsidiaries expect to incur additional indebtedness from time to time.

Interest

Interest on the Junior Subordinated Notes will be payable semi-annually in arrears on June 1 and December 1. The first interest payment following this remarketing will be made on June 1, 2017 and will include interest accrued (i) at an annual rate of 2.50% from, and including, March 1, 2017 to, but excluding, , 2017 and (ii) at an annual rate of % from, and including, , 2017 to, but excluding, June 1, 2017. On and after , 2017, the Junior Subordinated Notes will bear interest at % per year. Subject to certain exceptions, the Indenture will provide for the payment of interest on an Interest Payment Date only to persons in whose names the Junior Subordinated Notes are registered at the close of business on the record date; if the Junior Subordinated Notes are held by a securities depository in book-entry form, the record date will be the close of business on the business day immediately preceding the applicable Interest Payment Date; if the Junior Subordinated Notes are not held by a securities depository in book-entry form, then the record date will be the 15th day of the calendar month immediately preceding the calendar month in which the applicable Interest Payment Date falls (or, if such day is not a business day, the business day next preceding such day). Notwithstanding the foregoing, any interest payable at maturity will be paid to the person to whom principal is payable. Interest will be calculated on the basis of a 360-day year of twelve 30-day months, and with respect to any period less than a full calendar month, on the basis of the actual number of days elapsed during the period.

If any Interest Payment Date or the maturity date is not a business day, then the applicable payment will be made on the next succeeding day that is a business day, and no interest will accrue or be paid in respect of such delay. Business day, for purposes of the Indenture, will mean any day that is not a Saturday or Sunday or a day on which banking institutions in The City of New York are authorized or required by law or executive order to close.

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Redemption

On and after May 1, 2022 (1 month prior to the maturity date of the Junior Subordinated Notes), the Junior Subordinated Notes may be redeemed, at our option, in whole or in part, at any time or from time to time, upon not less than 15 days nor more than 60 days prior notice delivered to registered holders of the Junior Subordinated Notes to be redeemed, at a redemption price equal to 100% of the principal amount of the Junior Subordinated Notes then outstanding to be redeemed plus accrued and unpaid interest on the principal amount being redeemed to, but excluding, the redemption date.

Unless we default in the payment of the redemption price, interest will cease to accrue on the Junior Subordinated Notes or portions thereof called for redemption on the applicable redemption date.

Redemption Procedures

We will deliver, or cause the Trustee to deliver notice of the redemption to the holders of record of the Junior Subordinated Notes to be redeemed at their addresses appearing in the register. Any notice delivered as provided herein will be conclusively presumed to have been duly given, whether or not the holder receives such notice.

If less than all of the Junior Subordinated Notes are to be redeemed at any time, the Trustee will select the Junior Subordinated Notes for redemption on a pro rata basis (or as nearly as practicable) if the Junior Subordinated Notes are represented by physical certificates or by lot or such other similar method in accordance with the procedures of DTC if the Junior Subordinated Notes are represented by global certificates.

Any redemption or notice of any redemption may, at our discretion, be subject to one or more conditions precedent, including, but not limited to, completion of an equity offering, other offering, issuance of indebtedness or other transaction or event. Notice of any redemption in respect thereof may be given prior to the completion thereof and may be partial as a result of only some of the conditions being satisfied.

If such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in our discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied (or waived by us in our sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by us in our sole discretion) by the redemption date, or by the redemption date so delayed.

Events of Default

The Events of Default and related provisions in the Base Indenture will apply to the Junior Subordinated Notes, including:

failure to pay interest, on any Junior Subordinated Note within 30 days after the same becomes due and payable (whether or not payment is prohibited by the subordination provisions of the Indenture); or

failure to pay the principal of or premium, if any, on any Junior Subordinated Note when it becomes due and payable (whether or not payment is prohibited by the subordination provisions of the Indenture); or

failure to perform, or breach of, any covenant or warranty of the Company in the Indenture (other than a covenant or warranty a default in the performance of which or breach of which is elsewhere in the applicable section of the Indenture specifically dealt with or which has expressly been included in the Indenture solely for the benefit of one or more series of securities other than the Junior Subordinated Notes) and the continuance of such default or breach for a period of 90 days after there has been given, by registered or certified mail, to the Company by the Trustee, or to the Company and the Trustee by the holders of at least 33% in principal amount of the outstanding Junior Subordinated Notes, a written

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notice specifying such default or breach and requiring it to be remedied and stating that such notice is a Notice of Default under the Indenture, unless the Trustee, or the Trustee and the holders of a principal amount of Junior Subordinated Notes not less than the principal amount of Junior Subordinated Notes the holders of which gave such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; *provided, however*, that the Trustee, or the Trustee and the holders of such principal amount of Junior Subordinated Notes, as the case may be, shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Company within such period and is being diligently pursued in good faith; or

the entry by a court having jurisdiction in the premises of (1) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or (2) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition by one or more Persons other than the Company seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official for the Company or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, and any such decree or order for relief or any such other decree or order shall have remained unstayed and in effect for a period of 90 consecutive days; or

the commencement by the Company of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Company to the entry of a decree or order for relief in respect of the Company in a case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Company, or the filing by the Company of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by the Company to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or of any substantial part of its property, or the making by the Company of an assignment for the benefit of creditors, or the admission by the Company in writing of its inability to pay its debts generally as they become due, or the authorization of such action by the Board of Directors of the Company.

In addition, an Event of Default with respect to the Junior Subordinated Notes will occur if we fail to pay the purchase price on the purchase contract settlement date, if required.

The holders of a majority in principal amount of outstanding Junior Subordinated Notes may waive a default or Event of Default, other than a default in the payment of principal of, or interest on, the Junior Subordinated Notes (including the redemption price or purchase price of the Junior Subordinated Notes, if applicable), or a default or Event of Default with respect to a covenant or provision that cannot be modified or amended without the consent of the holder of each outstanding Junior Subordinated Note.

If any portion of the amount payable on the Junior Subordinated Notes upon acceleration is considered by a court to be unearned interest, the court could disallow recovery of such portion.

Consolidation, Merger or Sale

We will agree not to merge or consolidate with any other person or sell or convey all or substantially all of our assets to any person unless (1) either we are the continuing person, or the successor person (if other than us) is organized and existing under the laws of the United States of America or a State thereof or the District of Columbia and expressly assumes the due and punctual payment of the principal of and interest on the Junior Subordinated Notes, and the due and punctual performance and observance of all of the covenants and conditions of the Indenture to be performed by us by supplemental indenture in form satisfactory to the Trustee, executed

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and delivered to the Trustee by such person, and (2) we or such successor person, as the case may be, will not, immediately after such merger or consolidation, or such sale or conveyance, be in default in the performance of any such covenant or condition.

In case of any such consolidation, merger or conveyance, such successor person will succeed to and be substituted for us, with the same effect as if it had been named as us in the Indenture, and in the event of such conveyance (other than by way of a lease), we will be discharged of all of our obligations and covenants under the Indenture and the Junior Subordinated Notes.

Modification of Indenture

Without Holder Consent

Without the consent of any holders of the Junior Subordinated Notes, we and the Trustee may from time to time amend and/or supplement the Indenture and the Junior Subordinated Notes for the following purposes:

to evidence the succession of another corporation to us, or successive successions, and the assumption by such successor corporation of our covenants, agreements and obligations pursuant to the provisions described herein under Consolidation, Merger or Sale ;

to add to our covenants such further covenants, restrictions or conditions as we and the Trustee consider to be for the protection of the holders of the Junior Subordinated Notes, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions or conditions a default or an Event of Default; *provided* that such supplemental indenture may provide for a particular grace period or an immediate enforcement upon such default or limit the remedies available to the Trustee upon such default;

to change or eliminate any provision of the Indenture; *provided, however*, that any such change or elimination becomes effective only when there are no Junior Subordinated Notes outstanding, or the Junior Subordinated Notes are not entitled to the benefit of such provision;

to cure any ambiguity or to correct or supplement any provision contained in the Indenture that may be defective or inconsistent with any other provisions contained therein, or to make such other provision in regard to matters or questions arising under the Indenture; *provided* that such action will not adversely affect the interest of the holders of the Junior Subordinated Notes in any material respect;

to mortgage or pledge to the Trustee as security for the Junior Subordinated Notes any property or assets that we may desire to mortgage or pledge as security for the Junior Subordinated Notes;

to qualify, or maintain the qualification of, the Indenture under the Trust Indenture Act;

following the Purchase Contracts' settlement date, to supplement any of the provisions of the Junior Subordinated Notes to such extent as shall be necessary to permit or facilitate the defeasance and discharge of the Junior Subordinated Notes pursuant to the Indenture, *provided* that any such action will not adversely affect the interests of any holder of any Junior Subordinated Note in any material respect; and

to conform the terms of the Indenture and the Junior Subordinated Notes to the descriptions thereof contained in the DESCRIPTION OF THE JUNIOR SUBORDINATED NOTES' section in this prospectus supplement and the DESCRIPTION OF THE JUNIOR SUBORDINATED NOTES, DESCRIPTION OF THE EQUITY UNITS, DESCRIPTION OF THE PURCHASE CONTRACTS and CERTAIN PROVISIONS OF THE PURCHASE CONTRACT AND PLEDGE AGREEMENT' sections in the preliminary prospectus supplement for the Equity Units, dated June 10, 2014, as supplemented and/or amended by the related pricing term sheet.

With Holder Consent

Under the Indenture, supplemental indentures for the purposes of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of modifying in any manner the rights of the

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holders of the Junior Subordinated Notes under the Indenture may be entered into by us, when authorized by board resolution, and the Trustee, with the consent of the holders of not less than a majority in principal amount of the Junior Subordinated Notes affected. However, no such supplemental indenture shall:

change the maturity of the Junior Subordinated Notes, or reduce the rate or extend the time of payment of any interest thereon or on any overdue principal amount or reduce the principal amount thereof, or change the provisions pursuant to which the rate of interest on the Junior Subordinated Notes is determined if such change could reduce the rate of interest thereon, or reduce the minimum rate of interest thereon (if any), or reduce any amount payable upon any redemption thereof, or reduce the amount to be paid at maturity or make the principal thereof or any interest thereon or on any overdue principal amount payable in any coin or currency other than U.S. dollars without the consent of each holder of each Junior Subordinated Note so affected;

reduce the percentage of the Junior Subordinated Notes, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of all Junior Subordinated Notes then outstanding;

modify any of the provisions of the Indenture relating to modifications, waivers of our compliance with covenants thereunder or direction of the Trustee by holders of the Junior Subordinated Notes, except to increase the percentage of holders who must consent thereto or to provide that certain other provisions cannot be modified or waived without the consent of the holders of all Junior Subordinated Notes then outstanding; and

modify the provisions relating to the subordination of the Junior Subordinated Notes in a manner adverse to the holders thereof without the consent of the holder of each Junior Subordinated Note so affected.

A supplemental indenture that changes or eliminates any covenant or other provision of the Indenture expressly included solely for the benefit of holders of securities other than the Junior Subordinated Notes, or which modifies the rights of the holders of securities other than the Junior Subordinated Notes with respect to such covenant or other provision, will be deemed not to affect the rights under the Indenture of the holders of the Junior Subordinated Notes.

We may omit to comply with any covenant or condition contained in the Indenture if holders of a majority in principal amount of Junior Subordinated Notes waive such compliance.

Subordination

The Junior Subordinated Notes will be subordinate and junior in right of payment to all Senior Indebtedness as defined below.

If:

we make a payment or distribution of any of our assets to creditors upon our dissolution, winding-up, liquidation or reorganization, whether in bankruptcy, insolvency or otherwise;

a default beyond any grace period has occurred and is continuing with respect to the payment of principal, interest or any other monetary amounts due and payable on any Senior Indebtedness; or

the maturity of any Senior Indebtedness has been accelerated because of a default on that Senior Indebtedness,

then the holders of Senior Indebtedness generally will have the right to receive payment of all amounts due on that Senior Indebtedness, or we will make provision for those payments, before the holders of any Junior Subordinated Notes have the right to receive any payments of principal or interest on their Junior Subordinated Notes.

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Senior Indebtedness means all of our obligations, as the case may be, whether presently existing or from time to time hereafter incurred, created, assumed or existing, to pay principal, premium, interest, penalties, fees and any other payment in respect of any of the following:

obligations for borrowed money, including without limitation, such obligations as are evidenced by credit agreements, notes, debentures, bonds or other securities or instruments;

capitalized lease obligations;

all obligations of the types referred to in the two clauses above or others which the we have assumed, endorsed, guaranteed, contingently agreed to purchase or provide funds for the payment of, or otherwise becomes liable for, under any agreement; or

all renewals, extensions or refundings of obligations of the kinds described in any of the preceding categories,

unless, in the case of any particular obligation, indebtedness, renewal, extension or refunding, the instrument creating or evidencing the same or the assumption or guarantee of the same expressly provides that such obligation, indebtedness, renewal, extension or refunding is not superior in right of payment to or is *pari passu* with the Junior Subordinated Notes; *provided* that trade accounts payable and accrued liabilities arising in the ordinary course of business shall not be deemed to be Senior Indebtedness.

Senior Indebtedness will be entitled to the benefits of the subordination provisions in the Indenture irrespective of the amendment, modification or waiver of any term of the Senior Indebtedness. We may not amend the Indenture to change the subordination provisions without the consent of each holder of Senior Indebtedness that the amendment would adversely affect.

The Junior Subordinated Notes will be unsecured and will be subordinated to all of our existing and future senior and subordinated debt, and any other debt that is expressly excluded from the definition of Senior Indebtedness, as described above. The Junior Subordinated Notes will be effectively subordinated to all liabilities of our subsidiaries.

Holders of the Junior Subordinated Notes should recognize that contractual provisions in the Indenture may prohibit us from making payments on the Junior Subordinated Notes. The Junior Subordinated Notes are subordinate and junior in right of payment, to the extent and in the manner stated in the Indenture, to all of our Senior Indebtedness, as defined above.

The Indenture does not restrict or limit in any way our ability to incur Senior Indebtedness. As of December 31, 2016, we had approximately \$32.9 billion principal amount of outstanding long-term debt, including the portion of long-term debt due within one year and excluding long-term debt to financing trusts, on a consolidated basis that will be senior to the Junior Subordinated Notes. Additionally, as of December 31, 2016, our subsidiaries had approximately \$27.7 billion principal amount of outstanding long-term debt, including long-term debt to financing trusts and the portion of long-term debt due within one year.

Title

Prior to due presentment for registration of transfer of any Junior Subordinated Note, we, the Trustee and any agent of ours or the Trustee may deem and treat the person in whose name such Junior Subordinated Note is registered as the absolute owner of such Junior Subordinated Note (whether or not payments in respect of such Junior Subordinated Note are overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or an account of the principal of and interest on such Junior Subordinated Note and for all other purposes; and neither we nor the Trustee nor any agent of ours or the Trustee will be affected by any notice to the contrary.