

EXELON GENERATION CO LLC
Form 8-K
June 18, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) June 18, 2012

| | Name of Registrant; State of Incorporation; | |
|-------------|--|------------------------------------|
| Commission | Address of Principal Executive Offices; and | IRS Employer Identification Number |
| File Number | Telephone Number | |
| 1-16169 | EXELON CORPORATION (a Pennsylvania corporation) | 23-2990190 |
| | 10 South Dearborn Street | |
| | P.O. Box 805379 | |
| | Chicago, Illinois 60680-5379 | |

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(312) 394-7398

**333-85496 EXELON GENERATION COMPANY, LLC
(a Pennsylvania limited liability company)**

23-3064219

300 Exelon Way

Kennett Square, Pennsylvania 19348-2473

(610) 765-5959

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 1 Registrant's Business and Operations

Item 1.01. Entry into a Material Definitive Agreement

On June 18, 2012, Exelon Generation Company, LLC (Generation) issued and sold \$275 million in Senior Notes maturing on June 15, 2022, with a coupon of 4.25%, and \$500 million in Senior Notes maturing on June 15, 2012, with a coupon of 5.60% (Senior Notes). The Senior Notes were offered in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the Securities Act), and outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act. The Senior Notes have not been registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This report does not constitute an offer to sell or the solicitation of an offer to buy any security and shall not constitute an offer, solicitation or sale of any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. See Item 2.03 below for a description of the Senior Notes and related agreements.

Section 2 Financial Information

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

On June 18, 2012, Generation issued and sold \$275 million in Senior Notes maturing on June 15, 2022, with a coupon of 4.25%, and \$500 million in Senior Notes maturing on June 15, 2012, with a coupon of 5.60%. The Senior Notes were issued under an indenture, dated as of September 28, 2007 (Indenture), between Generation and U.S. Bank National Association, as trustee. Reference is made to the terms of the indenture filed as Exhibit 4.3.

The proceeds of the Senior Notes will be used after deducting underwriters' discounts and commissions and other estimated fees and expenses for general corporate purposes.

The Senior Notes were issued and sold in the following amounts and in the following two series and bear interest at the following interest rates, respectively:

\$275,000,000 4.25% Senior Notes due 2022 (2022 Senior Notes); and

\$500,000,000 5.60% Senior Notes due 2042 (2042 Senior Notes).

Interest will accrue on the Senior Notes from June 18, 2012 or from the most recent interest payment date to which interest has been paid or provided for. Interest is payable semi-annually on June 15 and December 15, beginning December 15, 2012.

Redemption at Generation's Option

At any time prior to March 15, 2022 (in the case of the 2022 Senior Notes) or December 15, 2041 (in the case of the 2042 Senior Notes), Generation may redeem each series of Senior Notes in whole or in part, at its option at any time, at a redemption price equal to the greater of:

(1) 100% of the principal amount of the Senior Notes of the series being redeemed; or

(2) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus, as applicable, 40 basis points (in the case of the 2022 Senior Notes) and 45 basis points (in the case of the 2042 Senior Notes),

plus accrued interest on the principal amount being redeemed to the redemption date.

At any time on or after March 15, 2022 (in the case of the 2022 Senior Notes) or December 15, 2041 (in the case of the 2042 Senior Notes), Generation may redeem each series of Senior Notes in whole or in part at 100% of the principal amount of the Senior Notes of the series being redeemed, plus accrued interest on the principal amount being redeemed to the redemption date.

Redemption of the Senior Notes of one series may be made without the redemption of the Senior Notes of the other series.

Comparable Treasury Issue means the United States Treasury security or securities selected by an Independent Investment Banker (as defined below) as having an actual or interpolated maturity comparable to the remaining term of the Senior Notes being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Senior Notes.

Comparable Treasury Price means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations (as defined below) for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (2) if the trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

Independent Investment Banker means one of the Reference Treasury Dealers (as defined below) appointed by the trustee after consultation with us.

Reference Treasury Dealer means each of Barclays Capital Inc., RBS Securities Inc., Scotia Capital (USA) Inc. and UBS Securities LLC their respective successors, and two other primary U.S. Government securities dealers in The City of New York (Primary Treasury Dealer) selected by us. If any Reference Treasury Dealer shall cease to be a Primary Treasury Dealer, Generation will substitute another Primary Treasury Dealer for that dealer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 3:30 p.m. New York City time on the third business day preceding such redemption date.

Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Generation will mail notice of any redemption at least 30 days but not more than 60 days before the redemption date to each registered holder of Senior Notes to be redeemed.

Unless Generation defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions thereof called for redemption.

Negative Covenants

Mergers and Consolidations

For so long as any Senior Notes remain outstanding, Generation may not consolidate with or merge with or into any other person, or sell, convey, transfer or lease Generation's properties and assets substantially as an entirety to any person, and Generation will not permit any person to consolidate with or merge with or into Generation, unless:

immediately prior to and immediately following such consolidation, merger, sale or lease, no Event of Default under the Indenture shall have occurred and be continuing; and

Generation is the surviving or continuing entity, or the surviving or continuing entity or entity that acquires by sale, conveyance, transfer or lease is organized in the United States or under the laws of a foreign jurisdiction and consents to the jurisdiction of the courts of the United States and in either case expressly assumes the payment and performance of all of Generation's obligations under the Indenture and the Senior Notes.

Limitation on Liens

For so long as any Senior Notes remain outstanding, Generation may not issue, assume, guarantee or permit to exist any Indebtedness secured by any lien on any of its property, whether owned on the date that the Senior Notes are issued or thereafter acquired, without in any such case effectively securing the outstanding Senior Notes (together with, if Generation shall so determine, any other Indebtedness of or guaranteed by Generation ranking equally with the Senior Notes) equally and ratably with such Indebtedness (but only so long as such Indebtedness is so secured); provided that the foregoing restriction shall not apply to the following permitted liens:

- (1) pledges or deposits in the ordinary course of business in connection with bids, tenders, contracts or statutory obligations or to secure surety or performance bonds;
- (2) liens imposed by law, such as carriers', warehousemen's and mechanics' liens, arising in the ordinary course of business;
- (3) liens for property taxes being contested in good faith;
- (4) minor encumbrances, easements or reservations which do not in the aggregate materially adversely affect the value of the properties or impair their use;
- (5) liens on property existing at the time of acquisition thereof by Generation, or to secure any Indebtedness incurred by Generation prior to, at the time of, or within 90 days after the later of the acquisition, the completion of construction (including any improvements on an existing property) or the commencement of commercial operation of the property, which Indebtedness is incurred for the purpose of financing all or any part of the purchase price or construction or improvements;
- (6) liens to secure purchase money Indebtedness not in excess of the cost or value of the property acquired;
- (7) liens securing obligations issued by a state, territory or possession of the United States, or any political subdivision of any of the foregoing or the District of Columbia, to finance the acquisition or construction of property, and on which the interest is not, in the opinion of tax counsel of recognized standing or in accordance with a ruling issued by the Internal Revenue Service, includible in gross income of the holder by reason of Section 103(a)(1) of the Internal Revenue Code (or any successor to such provision) as in effect at the time of the issuance of such obligations; and
- (8) other liens to secure Indebtedness so long as the amount of outstanding Indebtedness secured by liens pursuant to this clause (8) does not exceed 10% of Generation's consolidated net tangible assets.

The Indenture does not limit Generation's Subsidiaries' ability to issue, assume, guarantee or permit to exist any Indebtedness secured by any lien on any of such Subsidiary's property, whether owned on the date the Senior Notes are issued or thereafter acquired, provided that such Indebtedness is limited in recourse only to such Subsidiary.

As used in this report, Indebtedness of any person means (1) all indebtedness of such person for borrowed money, (2) all obligations of such person evidenced by senior notes, debentures, notes or other similar instruments, (3) all obligations of such person to pay the deferred purchase price of property or services, (4) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such person (even though the rights and remedies of the seller or lender under such agreement in the event of the default are limited to repossession or sale of such property), (5) all capital lease obligations of such person (excluding leases of property in the ordinary course of business), and (6) all Indebtedness of the type referred to in clauses (1) through (5) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien or security interest on property.

As used in this report, Subsidiary means any corporation or other entity of which sufficient voting stock or other ownership or economic interests having ordinary voting power to elect a majority of the board of directors (or equivalent body) are at the time directly or indirectly held by Generation.

Restriction on Sales and Leasebacks

For so long as any Senior Notes remain outstanding, Generation may not enter into any sale and leaseback transaction with any Subsidiary. In addition, Generation may not enter into any sale and leaseback transaction unless it complies with this restrictive covenant. A sale and leaseback transaction generally is an arrangement between Generation and a Subsidiary, bank, insurance company or other lender or investor where Generation leases real or personal property which was or will be sold by Generation to that Subsidiary, lender or investor.

Generation can comply with this restrictive covenant if it meets either of the following conditions:

the sale and leaseback transaction is entered into prior to, concurrently with or within 90 days after the acquisition, the completion of construction (including any improvements on an existing property) or the commencement of commercial operations of the property; or

Generation could otherwise grant a lien on the property as a permitted lien described in Limitation on Liens above.

Additional Events of Default

In addition to the events of default described in the Indenture, an event of default under the Senior Notes will include:

an event of default, as defined in any of Generation's instruments under which there may be issued, or by which there may be secured or evidenced, any Indebtedness of Generation that has resulted in the acceleration of such Indebtedness, or any default occurring in payment of any such Indebtedness at final maturity (and after the expiration of any applicable grace periods), other than such Indebtedness the principal of which, and interest on which, does not individually, or in the aggregate, exceed \$100,000,000; or

one or more final judgments, decrees or orders of any court, tribunal, arbitrator, administrative or other governmental body or similar entity for the payment of money shall be rendered against Generation or any of its properties in an aggregate amount in excess of \$100,000,000 (excluding the amount thereof covered by insurance) and such judgment, decree or order shall remain unvacated, undischarged and unstayed for more than 60 consecutive days, except while being contested in good faith by appropriate proceedings.

Registration Rights

In connection with the issuance and sale of the Senior Notes, Generation has agreed to enter into a Registration Rights Agreement (the Registration Rights Agreement) with the representatives of the initial purchasers of the Senior Notes and other parties named therein. Pursuant to the Registration Rights Agreement, Generation will be obligated to file a registration statement with respect to an offer to exchange the Senior Notes for substantially similar notes of Generation that are registered under the Securities Act or, in certain circumstances, register the resale of the Senior Notes. The registered exchange notes, if and when issued, will have terms identical in all material respects to the Senior Notes, except that their issuance will have been registered under the Securities Act.

Generation will generally be required to file the registration statement no later than 120 days after the final settlement date relating to its recently announced exchange offer that commenced on June 13, 2012 or, if the exchange offer is not consummated, no later than 120 days after the original issuance date of the Senior Notes (the Registration Rights Issue Date) and to cause such registration statement to become effective no later than 180 days after the Registration Rights Issue date (unless the registration statement is reviewed by the SEC, in which case no later than 240 days after the Registration Rights Issue Date). If it fails to satisfy these and other obligations contained in the Registration Rights Agreement, Generation will be obligated to make additional payments of interest to the holders of the Senior Notes as described in the Registration Rights Agreement.

A copy of the Registration Rights Agreement, dated June 18, 2012, among Generation, Barclays Capital Inc., RBS Securities Inc., Scotia Capital (USA) Inc. and UBS Securities LLC as representatives of the several initial purchasers named therein, is filed as Exhibit 1.1 to this report.

Reference is made to each form of Senior Notes attached as Exhibit 4.1 and 4.2 for additional covenants, events of default and other terms and conditions of each of the series of Senior Notes.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

| Exhibit No. | Description |
|-------------|---|
| 1.1 | Registration Rights Agreement dated June 18, 2012 among Generation, Barclays Capital Inc., RBS Securities Inc., Scotia Capital (USA) Inc. and UBS Securities LLC as representatives of the several initial purchasers named therein as representatives of the several underwriters named therein. |
| 4.1 | Form of 4.25% Senior Note due 2022. |
| 4.2 | Form of 5.60% Senior Note due 2042. |

* * * * *

This combined Form 8-K is being filed separately by Exelon Corporation (Exelon) and Generation (Registrants). Information contained herein relating to any individual Registrant has been filed by such Registrant on its own behalf. No Registrant makes any representation as to information relating to any other Registrant.

This Current Report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from these forward-looking statements include those discussed herein as well as those discussed in (1) those factors discussed in the following sections of our 2011 Annual Report on Form 10-K: (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 18; (2) those factors discussed in the following section of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012: (a) Part II ITEM 1A. Risk Factors, (b) Part I, Financial Information, ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, Financial Information, ITEM 1. Financial Statements: Note 14, and (3) other factors discussed in filings with the Securities and Exchange Commission (SEC) by the Registrants. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Current Report. Neither of the Registrants undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this Current Report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EXELON CORPORATION

/s/ Jonathan W. Thayer
Jonathan W. Thayer
Executive Vice President and Chief Financial Officer
Exelon Corporation

EXELON GENERATION COMPANY, LLC

/s/ Andrew L. Good
Andrew L. Good
Senior Vice President and Chief Financial Officer
Exelon Generation Company, LLC

June 18, 2012

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