UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended December 31, 2000
OR
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number	Name of Registrant; State of Incorporation; Address of Principal Executive Offices; and Telephone Number	IRS Employer Identification Number
1-16169	EXELON CORPORATION (a Pennsylvania corporation) 10 South Dearborn Street - 37th Floor P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-4321	23-2990190
1-1401	PECO ENERGY COMPANY (a Pennsylvania corporation) P.O. Box 8699 2301 Market Street Philadelphia, Pennsylvania 19101-8699 (215) 841-4000	23-0970240
1-1839	COMMONWEALTH EDISON COMPANY (an Illinois corporation) 10 South Dearborn Street - 37th Floor P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-4321	36-0938600

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
EXELON CORPORATION:	
Common Stock, without par value	New York, Chicago and Philadelphia
PECO ENERGY COMPANY:	
First and Refunding Mortgage Bonds: 5-5/8% Series due 2001, 6-3/8% Series due 2005, and 6-1/2% Series due 2003	New York
Cumulative Preferred Stock, without par value: $4.68 Series, $4.40 Series, $4.30 Series and $3.80 Series	New York
Trust Receipts of PECO Energy Capital Trust II, each representing an 8.00% Cumulative Monthly Income Preferred Security, Series C, $25 stated value, issued by PECO Energy Capital, L.P. and unconditionally guaranteed by PECO Energy Company	New York
Trust Receipts of PECO Energy Capital Trust III, each representing an 7.38% Cumulative Preferred Security, Series D, $25 stated value, issued by PECO Energy Capital, L.P. and unconditionally guaranteed by PECO Energy Company	New York
COMMONWEALTH EDISON COMPANY:	
Sinking Fund Debentures: 2-7/8%, due April 1, 2001	New York
Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trust Holding Solely Commonwealth Edison Company's 8.48% Subordinated Debt Securities and unconditionally guaranteed by Commonwealth Edison Company	New York

Securities registered pursuant to Section 12(g) of the Act:

PECO ENERGY COMPANY:
Cumulative Preferred Stock, without par value: $7.48 Series and $6.12 Series

COMMONWEALTH EDISON COMPANY:
Common Stock Purchase Warrants, 1971 Warrants and Series B Warrants

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrants' knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The estimated aggregate market value of the voting and non-voting common equity held by nonaffiliates of the registrants as of March 1, 2001, was as follows:

Exelon Corporation Common Stock, without par value	$20,986,864,596
PECO Energy Company Common Stock, without par value	None
Commonwealth Edison Company Common Stock, $12.50 par value	No established market.

The number of shares outstanding of each registrant's common stock as of March 1, 2001, except for Commonwealth Edison Company which is as of December 31, 2000, was as follows:

Exelon Corporation Common Stock, without par value	320,068,089
PECO Energy Company Common Stock, without par value	170,478,507
Commonwealth Edison Company Common Stock, $12.50 par value	163,805,020

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of Exelon Corporation's Current Report on Form 8-K dated March 16, 2001 containing consolidated financial statements and related information for the year ended December 31, 2000, are incorporated by reference into Parts I, II and IV of this Annual Report on Form 10-K. Portions of Exelon Corporation's definitive Proxy Statement filed on March 23, 2001 relating to its annual meeting of shareholders, are incorporated by reference into Part III of this Annual Report on Form 10-K.

Portions of PECO Energy Company's definitive Information Statement to be filed prior to April 30, 2001, relating to its annual meeting of shareholders, are incorporated by reference into Part III of this Annual Report on Form 10-K.

Portions of Commonwealth Edison Company's definitive Information Statement to be filed prior to April 30, 2001, relating to its annual meeting of shareholders, are incorporated by reference into Part III of this Annual Report on Form 10-K.

This combined Form 10-K is separately filed by Exelon Corporation, PECO Energy Company and Commonwealth Edison Company. Information contained herein relating to any individual registrant is filed by such registrant in its own behalf. Each registrant makes no representation as to information relating to the other registrants.

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PART I

ITEM 1. BUSINESS.

General

Exelon Corporation, a Pennsylvania corporation (Exelon), was incorporated in February 1999. On October 20, 2000, Exelon became the parent corporation for each of PECO Energy Company (PECO) and Commonwealth Edison Company (ComEd) as a result of the completion of the transactions contemplated by an Agreement and Plan of Exchange and Merger, as amended, among PECO, Unicom Corporation (Unicom) and Exelon. PECO and ComEd, which was a subsidiary of Unicom, became the principal utility subsidiaries of Exelon through a mandatory exchange of each share of outstanding common stock of PECO for one share of common stock of Exelon and a merger of Unicom into Exelon. In the merger, holders of Unicom common stock received 0.875 shares of Exelon common stock plus $3.00 in cash for each of their shares of Unicom common stock. The merger transaction was accounted for as a purchase of Unicom by PECO.

Exelon, through subsidiaries including PECO and ComEd, operates in three business segments:

- Energy Delivery, consisting of the retail electricity distribution and transmission businesses of ComEd in northern Illinois and PECO in southeastern Pennsylvania and the natural gas distribution business of PECO in the Pennsylvania counties surrounding the City of Philadelphia.

- Generation, consisting of electric generating facilities, power marketing operations and equity interests in Sithe Energies, Inc. (Sithe) and AmerGen Energy Company, LLC (AmerGen).

- Enterprises, consisting of competitive retail energy sales, energy and infrastructure services, communications and related investments.

During January 2001, Exelon undertook a restructuring to separate Exelon's generation and other competitive businesses from its regulated energy delivery business. As part of the restructuring, the non-regulated operations and related assets of ComEd and PECO were transferred to separate subsidiaries of Exelon. Restructuring will streamline the process for managing, operating and tracking the financial performance of each business segment.

Exelon's principal executive offices are located at 10 South Dearborn Street, Chicago, Illinois 60603, and its telephone number is 312-394-4321. ComEd was organized in the State of Illinois in 1913 as a result of the merger of Cosmopolitan Electric Company into the original corporation named Commonwealth Edison Company, which was incorporated in 1907. ComEd's principal executive offices are located at 10 South Dearborn Street, Chicago, Illinois 60603 and its telephone number is 312-394-4321. PECO was incorporated in Pennsylvania in 1929. PECO's principal executive offices are located at 2301 Market Street, Philadelphia, Pennsylvania 19101-8699 and its telephone number is 215-841-4000.

Exelon and various of its subsidiaries are subject to Federal and state regulation. Exelon is a registered holding company under the Public Utility Holding Company Act of 1935 (PUHCA). ComEd is a public utility under the Illinois Public Utilities Act subject to regulation by the Illinois

Commerce Commission (ICC). PECO is a public utility under the Pennsylvania Public Utility Code subject to regulation by the Pennsylvania Public Utility Commission (PUC). PECO, ComEd and Generation are electric utilities under the Federal Power Act subject to regulation by the Federal Energy Regulatory Commission (FERC). Specific operations of Exelon are also subject to the jurisdiction of various other Federal, state, regional and local agencies, including the United States Nuclear Regulatory Commission (NRC).

As a registered holding company, Exelon and its subsidiaries are subject to a number of restrictions under PUHCA. These restrictions generally involve financing, investments and affiliate transactions. Under PUHCA, Exelon and its subsidiaries cannot issue debt or equity securities or guaranties without approval of the Securities and Exchange Commission (SEC), or in some circumstances in the case of ComEd and PECO, the ICC or the PUC, respectively. Exelon currently has SEC approval to issue up to an aggregate of $4 billion in common stock, preferred securities, long-term debt and short-term debt, and to issue up to $4.5 billion in guaranties. PUHCA also limits the businesses in which Exelon may engage and the investments that Exelon may make. With limited exceptions, Exelon may only engage in traditional electric and gas utility businesses and other businesses that are reasonably incidental or economically necessary or appropriate to the operations of the utility business. The exceptions include Exelon's ability to invest in exempt telecommunications companies, in exempt wholesale generating businesses and foreign utility companies (these investments are capped at $4 billion in the aggregate), in energy-related companies (as defined in SEC rules, and subject to a cap on these investments of 15% of Exelon's consolidated capitalization), and in other businesses, subject to SEC approval. In addition, PUHCA requires that all of a registered holding company's utility subsidiaries constitute a single system that can be operated in an efficient, coordinated manner. For additional information about restrictions on the payment of dividends and other effects of PUHCA on Exelon and its subsidiaries, see ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Exelon.

Energy Delivery

Energy Delivery consists of Exelon's regulated energy delivery operations conducted by ComEd and PECO.

ComEd is engaged principally in the purchase, transmission, distribution and sale of electricity to a diverse base of residential, commercial, industrial and wholesale customers in northern Illinois. ComEd is a public utility under the Illinois Public Utilities Act. Consequently, ComEd is subject to regulation by the ICC as to rates and charges, issuance of most of its securities, service and facilities, classification of accounts, transactions with affiliated interests, as defined in the Illinois Public Utilities Act, and other matters. ComEd is also subject to regulation by FERC as to transmission rates and certain other aspects of its business, including interconnections and sales of transmission related assets.

ComEd's traditional service territory has an area of approximately 11,300 square miles and an estimated population of approximately 8 million as of December 31, 2000. The service territory includes the City of Chicago, an area of about 225 square miles with an estimated population of approximately 3 million. ComEd had approximately 3.5 million customers at December 31, 2000.

ComEd's franchises are sufficient to permit it to engage in the business it now conducts. ComEd's franchise rights are generally nonexclusive rights documented in agreements and, in some cases, certificates of public convenience issued by the ICC. With few exceptions, the franchise rights have stated expiration dates ranging from 2001 to 2040 and subsequent years.

PECO is engaged principally in the purchase, transmission, distribution and sale of electricity to residential, commercial, industrial and wholesale customers and in the purchase, distribution and sale of natural gas to residential, commercial and industrial customers. PECO is a public utility under the Pennsylvania Public Utility Code. As a result, PECO is subject to regulation by the PUC as to electric distribution rates, retail gas rates, issuances of securities and certain other aspects of PECO's operations. PECO is also subject to regulation by FERC as to transmission rates and certain other aspects of its business, including interconnections and sales of transmission related assets.

Pursuant to the Pennsylvania Electricity Generation Customer Choice and Competition Act (Competition Act), the Commonwealth of Pennsylvania has required the unbundling of retail electric services in Pennsylvania into separate generation, transmission and distribution services with open retail competition for generation services. Since the commencement of deregulation in 1999, PECO serves as the local distribution company providing electric distribution services to all customers in its service territory and bundled electric service to customers who do not choose an alternate electric generation supplier. PECO delivers electricity to approximately 1.5 million customers and natural gas to approximately 425,000 customers.

PECO's traditional retail service territory covers 2,107 square miles in southeastern Pennsylvania. PECO provides electric delivery service in an area of 1,972 square miles, with a population of approximately 3.6 million, including 1.6 million in the City of Philadelphia. Natural gas service is supplied in a 1,475 square mile area in southeastern Pennsylvania adjacent to Philadelphia, with a population of 1.9 million.

PECO has the necessary franchise rights to furnish electric and gas service in the various municipalities or territories in which it now supplies such services. PECO's franchise rights, which are generally nonexclusive rights, consist of charter rights and certificates of public convenience issued by the PUC and/or "grandfather rights". Such franchise rights are generally unlimited as to time.

As a result of Exelon's restructuring to separate its regulated and competitive businesses, both ComEd and PECO transferred their assets and liabilities unrelated to energy delivery to other subsidiaries of Exelon. In the case of ComEd, the assets and liabilities transferred included nuclear generation and wholesale power marketing operations and some administrative functions. In the case of PECO, the assets and liabilities transferred related to nuclear, fossil and hydroelectric generation and wholesale power marketing; unregulated ventures and activities, including communications, infrastructure services and unregulated gas and electric sales activities; and administrative, information technology and other support for all other business activities of Exelon and its subsidiaries.

Energy Delivery's kilowatt-hour (kWh) sales and generation are generally higher, primarily during the summer periods but also during the winter periods, when temperature extremes create demand for either summer cooling or winter heating. ComEd's highest peak load experienced to date occurred on August 30, 1999 and was 21,243,000 kilowatts, and the highest peak load experienced to date during a winter season occurred on December 20, 1999 and was 14,484,000 kilowatts. PECO's highest peak load experienced to date occurred on July 6, 1999 and was 7,959,000 kilowatts; and the highest peak load experienced to date during a winter season occurred on January 17, 2000 and was 6,135,000 kilowatts.

Retail Electric Services

Electric utility restructuring legislation was adopted in Pennsylvania in December 1996 and in Illinois in December 1997. Both states, through their regulatory agencies, established a phased approach to competition, allowing customers to choose an alternative electric generation supplier; required rate reductions and imposed caps on rates during a transition period; and allowed the collection of competitive transition charges (CTCs) from customers to recover costs that might not otherwise be recovered in a competitive market (stranded costs). Under the restructuring initiatives adopted at the Federal and state levels, the role of electric utilities in the supply and delivery of energy is changing. ComEd and PECO continue to be obligated to provide a reliable delivery system under cost-based rates. During the transition period to a competitive supply marketplace, ComEd and PECO are also obligated to supply generation services to customers who do not or cannot choose an alternate supplier.

The rates for the generation service provided by ComEd and PECO are subject to rate caps during the transition periods. PECO has entered into a long-term power purchase agreement with Generation to obtain sufficient power at the rates it is allowed to charge to serve customers who do not choose an alternate generation supplier. ComEd has entered into a long-term power purchase agreement with Generation to obtain sufficient power at fixed rates.

ComEd. Under the Illinois legislation, as of December 31, 2000, all non-residential customers were eligible to choose a new electric generation supplier or elect the power purchase option. The power purchase option allows the purchase of electric energy from ComEd at market-based prices. ComEd's residential customers become eligible to choose a new electric supplier in May 2002. As of December 31, 2000, over 9,500 non-residential customers, representing approximately 27% of ComEd's retail kilowatt-hour sales for the twelve months prior to the introduction of retail competition, had elected to receive their electric energy from an alternative electric supplier or chose the power purchase option.

In addition to retail competition for generation services, the Illinois legislation provided for residential base rate reductions, a sharing with customers of any earnings over a defined threshold and a base rate freeze, reflecting the residential base rate reductions, through January 1, 2005. A 15% residential base rate reduction became effective on August 1, 1998 and a further 5% residential base rate reduction will become effective in October 2001. Under the earnings provision, one-half of any earnings over a defined threshold return on common equity during the period ending December 31, 2004 must be refunded to customers. The threshold rate of return on common equity is based on the 30-year treasury bond rate, plus 8.5% in the years 2000 through 2004. Earnings, for purposes of the earnings provision, include ComEd's net income calculated in accordance with generally accepted accounting principles and may include accelerated amortization of regulatory assets and the amortization of goodwill. At December 31, 2000, ComEd had a regulatory asset with an unamortized balance of $385 million as a result of the Illinois legislation. It expects to fully recover and amortize that regulatory asset by the end of 2003. ComEd does not currently expect to trigger the earnings sharing provisions in the years 2001 through 2004.

The Illinois legislation also provided for the collection of a CTC from customers who choose to purchase electric energy from an alternative supplier or elect the power purchase option during a transition period that extends through 2006. The CTC, which was established as of October 1, 1999 and is applied on a cents per kWh basis, considers the revenue that would have been collected from a customer under tariffed rates, reduced by the revenue the utility will receive for providing delivery services to the customer, the market price for electricity and a defined mitigation factor, which represents the utility's opportunity to develop new revenue sources and achieve cost savings. The CTC allows ComEd to recover some of its costs that might otherwise be unrecoverable under market-based rates.

As part of a settlement agreement between ComEd and the City of Chicago relating to ComEd's Chicago franchise agreement, ComEd and Chicago agreed to a revised combination of ongoing work under the franchise agreement and new initiatives that will result in defined transmission and distribution expenditures by ComEd to improve electric service in Chicago. The Illinois legislation also committed ComEd to spend at least $2 billion during the period 1999 through 2004 on transmission and distribution facilities outside of Chicago. In addition, ComEd conducted an extensive evaluation of the reliability of its transmission and distribution systems in response to several outages in the summer of 1999. As a result of the evaluation, ComEd has increased its capital and operating and maintenance expenditures on its transmission and distribution facilities in order to improve their reliability.

As a result of ComEd's commitments to improve the reliability of its transmission and distribution system, ComEd expects its capital expenditures will exceed depreciation on its rate base assets through at least 2002. The base rate freeze will generally preclude rate recovery on and of such investments prior to January 1, 2005. Unless ComEd can offset the additional carrying costs against cost savings, its return on investment will be reduced during the period of the rate freeze and until rate increases are approved authorizing a return of and on this new investment.

In addition, the Illinois legislation provides that an electric utility, such as ComEd, will be liable for actual damages suffered by customers in the event of a continuous power outage of four hours or more affecting 30,000 or more customers and provides for reimbursement of governmental emergency and contingency expenses incurred in connection with any such outage. The legislation bars recovery of consequential damages. The legislation also allows an affected utility to seek relief from these provisions from the ICC where the utility can show that the cause of the outage was unpreventable damage due to weather events or conditions, customer tampering or third party causes.

The Illinois legislation also allows a portion of ComEd's future revenues to be segregated and used to support the issuance of securities by ComEd or a special purpose financing subsidiary. The proceeds, net of transaction costs, from such securities issuances must be used to refinance outstanding debt or equity or for certain other limited purposes. The total amount of such securities that may be issued is approximately $6.8 billion. In December 1998, special purpose financing subsidiaries of ComEd issued $3.4 billion of notes. For additional information, see Related Entities below and ITEM 8. Financial Statements and Supplementary Data - Exelon, Note 15 of Notes to Consolidated Financial Statements.

PECO. Retail competition for electric generation services began in Pennsylvania on January 1, 1999, and by January 1, 2000 all of PECO's retail electric customers had the right to choose their generation suppliers. At December 31, 2000, approximately 18% of PECO's residential load, 46% of its commercial load and 42% of its industrial load were purchasing generation service from alternative suppliers.

In addition to retail competition for generation services, PECO's settlement of its restructuring case mandated by the Competition Act required PECO to provide generation services to customers who do not or cannot choose an alternate supplier through December 31, 2010 and established caps on generation and distribution rates. The 1998 settlement also authorized PECO to recover $5.3 billion of stranded costs and to securitize up to $4.0 billion of its stranded cost recovery.

Under the 1998 settlement, PECO's distribution rates were capped through June 30, 2005 at the level in effect on December 31, 1996. Generation rates, consisting of the charge for stranded cost recovery and a shopping credit or capacity and energy charge, were capped through December 31, 2010. For 2001, the generation rate cap is $0.0681 per kWh, increasing to $0.0698 per kWh in 2002,

$0.0751 per kWh in 2006 and $0.0801 per kWh in 2007. The rate caps are subject to limited exceptions, including significant increases in Federal or state taxes or other significant changes in law or regulations that would not allow PECO to earn a fair rate of return.

In connection with its request for authorization to securitize an additional $1 billion of its stranded cost recovery, PECO agreed to provide its customers with additional rate reductions of $60 million in 2001. Under the settlement agreement entered into by PECO in 2000 relating to the PUC's approval of the merger with Unicom, PECO agreed to $200 million in aggregate rate reductions for all customers over the period January 1, 2002 through 2005 and extended the rate cap on distribution rates through December 31, 2006.

PECO has been authorized to recover stranded costs of $5.3 billion over a twelve-year period ending December 31, 2010 with a return on the unamortized balance of 10.75%. PECO's recovery of stranded costs is based on the level of transition charges established in the settlement of PECO's restructuring case and the projected annual retail sales in PECO's service territory. Recovery of transition charges for stranded costs and PECO's allowed return on its recovery of stranded costs are included in operating revenue.

As a mechanism for utilities to recover their allowed stranded costs, the Competition Act provides for the imposition and collection of non-bypassable CTCs on customers' bills. CTCs are assessed to and collected from all retail customers who have been assigned stranded cost responsibility and access the utilities' transmission and distribution systems. As the CTCs are based on access to the utility's transmission and distribution system, they will be assessed regardless of whether such customer purchases electricity from the utility or an alternate electric generation supplier. The Competition Act provides, however, that the utility's right to collect CTCs is contingent on the continued operation at reasonable availability levels of the assets for which the stranded costs were awarded, except where continued operation is no longer cost efficient because of the transition to a competitive market.

The following table shows the estimated average levels of stranded cost recovery and the amortization of the remaining portion of PECO's authorized stranded cost recovery ($5.2 billion at December 31, 2000) for the years 2001 through 2010, based on estimated 0.8% annual sales growth assumed in the 1998 settlement of PECO's restructuring case. Exelon's independent accountant's have neither examined nor compiled these projections.

Annual Stranded Cost
Amortization And Return

Year	Annual Sales (1)	Stranded Cost Recovery Charge (2)	Revenue Excluding Gross Receipts Tax		
			Total	Return @ 10.75%	Amortization
	MWh	$/kWh	($000)	($000)	($000)
2001	34,108,616	0.0231	753,241	482,561	270,680
2002	34,381,485	0.0251	825,004	516,869	308,135
2003	34,656,537	0.0247	818,352	482,401	335,951
2004	34,933,789	0.0243	811,540	444,798	366,742
2005	35,213,260	0.0240	807,933	403,555	404,378
2006	35,494,966	0.0266	902,623	353,070	549,553
2007	35,778,925	0.0266	909,844	290,627	619,217
2008	36,065,157	0.0266	917,123	220,312	696,811
2009	36,353,678	0.0266	924,459	141,229	783,231
2010	36,644,507	0.0266	931,855	52,381	879,474

(1) Subject to reconciliation of actual sales and collections.

(2) Subject to periodic adjustments for over- or under- recovery.

Under the Competition Act, licensed entities, including alternate electric generation suppliers, may act as agents to provide a single bill and provide associated billing and collection services to retail customers located in PECO's retail electric service territory. In that event, the alternative supplier or other third party replaces the customer as the obligor with respect to the customer's bill and PECO generally has no right to collect such receivable from the customer. Third-party billing would change PECO's customer profile (and risk of non-payment by customers) by replacing multiple customers with the entity providing third-party billing for those customers. PUC-licensed entities may also finance, install, own, maintain, calibrate and remotely read advanced meters for service to retail customers in PECO's retail electric service territory. To date, no third parties are providing billing of PECO's charges to customers or advanced metering. Only PECO can physically disconnect or reconnect a customer's distribution service.

As permitted by the Competition Act and the 1998 settlement of its restructuring case, PECO securitized $4 billion of its stranded cost recovery in 1999 by the issuance of transition bonds through a special purpose financing entity. In 2000, PECO securitized an additional $1 billion of its stranded cost recovery, also through the issuance of transition bonds. As required by the Competition Act, the proceeds from the securitizations were applied to reduce stranded costs, including related capitalization of PECO. In March 2001, approximately $805 million of the first series of transition bonds were refinanced. For additional information, see Related Entities below and ITEM 8. Financial Statements and Supplementary Data - Exelon, Note 22 of Notes to Consolidated Financial Statements.

PECO's settlement of its restructuring case included a number of provisions designed to encourage competition for generation services. Shopping credits for generation service may provide an economic incentive for customers to choose an alternate supplier. Effective January 1, 2001, PECO agreed to assign 20% of its non-shopping residential customers to competitive default service

provided by one or more alternate suppliers. If on January 1, 2003, 50% of PECO's residential and commercial customers are not obtaining generation services from alternate generation suppliers, then non-shopping customers will be assigned to alternate generation suppliers to reach that level.

On November 29, 2000, the PUC approved PECO's bilateral contract with New Power Company (New Power) to move 22% of PECO's non-shopping residential customers to New Power for competitive default generation service. Under this contract, New Power has agreed that it will provide generation services through January 2004, at specified discounted rates, to nearly 300,000 residential customers of PECO who are currently taking their generation service from PECO. During this period, those customers will continue to have the right to switch to an alternate electric generation supplier other than New Power, as well as the right to return as customers of PECO, without penalty or charge. At the end of 2002, if the number of competitive default service customers then served by New Power has dropped below 20% of PECO's residential customer base, there will be an additional allocation of residential customers to New Power to bring its competitive default service levels back up to 20% of the residential customer base.

In addition to the New Power contract, PECO has also entered into a contract with Green Mountain Energy Company to assign 50,000 of PECO's non-shopping residential customers to Green Mountain for competitive default generation service, on the same terms and conditions as the New Power contract. On February 21, 2001, the PUC approved the Green Mountain contract.

Transmission Services

Energy Delivery provides wholesale transmission service under rates established by FERC. FERC Order No. 888 (Order 888) requires all public utilities that own, control or operate interstate transmission facilities have open-access transmission tariffs for wholesale transmission services in accordance with non-discriminatory terms and conditions established by FERC. In response to Order 888, both ComEd and PECO filed individual compliance tariffs with FERC.

FERC has used its regulation of transmission to encourage competition for wholesale generation services and the development of regional structures to facilitate regional wholesale markets. In December 1999, FERC issued Order No. 2000 requiring jurisdictional utilities to file a proposal to form a regional transmission organization (RTO) meeting certain governance, operational, and scope and scale requirements articulated in the order or, alternatively, to describe efforts to participate in or work toward participating in an RTO or explain why they were not participating in an RTO. Order 2000 is generally designed to separate the governance and operation of the transmission system from generation companies and other market participants. RTOs may be organized and may independently manage regional transmission systems in a variety of ways, including through independent for-profit or not-for-profit transmission companies, independent not-for-profit system operators or ISOs (such as the Midwest Independent Transmission System Operator (MISO)), as well as other structures. FERC has set December 15, 2001 as the deadline for transferring control over transmission facilities to approved RTOs.

ComEd. ComEd has been a transmission-owning member of MISO, a prospective RTO. On October 31, 2000, ComEd announced its intention to join the Alliance Regional Transmission Organization (Alliance), an RTO being established by utilities generally located to the east of ComEd. Participation options in the Alliance are being evaluated, including a transfer of the transmission assets for a passive equity interest, leasing or a management-type arrangement. On the same date, ComEd provided notice of its intention to withdraw from the MISO, which withdrawal is needed in order to participate in the Alliance. In March 2001, ComEd, the MISO and other market participants reached a proposed settlement regarding issues associated with ComEd's

withdrawal from the MISO, including related costs. The proposed settlement is subject to FERC approval, which has the power to accept, reject or make changes as a condition to its approval. If the settlement is approved, ComEd will be permitted to withdraw from the MISO and to join the Alliance. At present, ComEd believes it has established adequate reserves for its portion of costs related to its withdrawal from the MISO.

PECO. PECO provides regional transmission service pursuant to a regional open-access transmission tariff filed by it and the other transmission owners who are members of PJM Interconnection LLC (PJM). PJM is a power pool that integrates, through central dispatch, the generation and transmission operations of its member companies across a 50,000 square mile territory. Under the PJM tariff, transmission service is provided on a region-wide, open-access basis using the transmission facilities of the PJM members at rates based on the costs of transmission service. PJM's Office of Interconnection is the ISO for PJM and is responsible for operation of the PJM control area and administration of the PJM open-access transmission tariff. PECO and the other transmission owners in PJM have turned over control of their transmission facilities to the ISO. The PJM ISO and the transmission owners who are members of PJM, including PECO, have filed with FERC for approval of PJM as an RTO.

Gas

Historically, PECO's gas sales and gas transportation revenues were derived pursuant to rates regulated by the PUC. The PUC established, through regulated proceedings, the base rates that PECO may charge for gas service in Pennsylvania. PECO's gas rates are subject to quarterly adjustments designed to recover or refund the difference between the actual cost of purchased gas and the amount included in base rates and to recover or refund increases or decreases in certain state taxes not recovered in base rates.

On July 1, 2000, PECO implemented the Pennsylvania Natural Gas Choice and Competition Act that was passed in 1999. The Act expands choice of gas suppliers to residential and small commercial customers and eliminates the 5% gross receipts tax on gas distribution companies' sales of gas. Large commercial and industrial customers have been able to choose their suppliers since 1984. Approximately one-third of PECO's current total yearly throughput is supplied by third parties. The Act permits gas distribution companies to continue to make regulated sales of gas, at cost, to their customers. The Act does not deregulate the transportation service provided by gas distribution companies, which remains subject to rate regulation. Gas distribution companies continue to provide billing, metering, installation, maintenance and emergency response services.

PECO's natural gas supply is provided by purchases from a number of suppliers for terms of up to five years. These purchases are delivered under several long-term firm transportation contracts. PECO's aggregate annual entitlement under these firm transportation contracts is 87.5 million dekatherms. Peak gas is provided by PECO's liquefied natural gas facility and propane-air plant. PECO also has under contract 21.7 million dekatherms of underground storage through service agreements. Natural gas from underground storage represents approximately 45% of PECO's 2000-2001 heating season supplies.

Construction Budget

The following table shows Exelon's most recent estimate of capital expenditures for plant additions and improvements for Energy Delivery for 2001:

	ComEd	PECO
	(Millions of $)	
Transmission and Distribution	$745	$181
Gas	--	69
Other	155	10
Total	$900	$260

Generation

General

Generation combines the generating resources and wholesale power marketing operations owned by PECO and ComEd prior to Exelon's restructuring. The generating resources of Generation consist of ownership interests in generating facilities and long-term contracts for capacity. Generation also owns a 50% interest in AmerGen, a joint venture with British Energy, Inc., a wholly owned subsidiary of British Energy plc (British Energy), which acquires and operates nuclear generating facilities. In 2000, Exelon acquired a 49.9% interest in Sithe, with an option to purchase the other 50.1% beginning in 2003. Sithe develops, owns and operates merchant generating facilities.

Generation's wholesale power marketing group, Power Team, is one of the largest wholesale power marketers in North America. Power Team manages the output of Generation's resources to meet the load requirements of ComEd and PECO and the supply commitments of Exelon Energy, Exelon's competitive retail energy supplier.

Generating Resources

The generating resources of Generation, AmerGen and Sithe consist of the following:

Type of Capacity	MW	% of Total
Generation 1		
Nuclear	13,949	42.2%
Fossil	3,721	11.3%
Hydro	1,489	4.5%
Long-term Contracts 2	13,900	42.0%
Total	33,059	100.0%
AmerGen 3		
Nuclear	2,378	100.0%
Sithe 4		
Fossil	3,782	37.7%
Under Development	3,715	37.0%
Under Advanced Construction	2,535	25.3%
Total	10,032	100.0%

1 See "Fuel" for sources of fuels used in electric generation.
2 Contracts range from 4 to 29 years.
3 Generation owns a 50% interest in AmerGen. Capacity and the related energy from AmerGen's facilities not sold under long-term contracts to third parties are marketed by the Power Team. See "AmerGen" below.
4 Generation owns a 49.9% interest in Sithe. The capacity and related energy from Sithe's facilities are marketed by Sithe. Fossil includes Hydro of 80 MW or 0.79% of total Sithe capacity. See "Sithe" below.

The generating resources of Generation are located primarily in the Midwest (approximately 45% of capacity) and the Mid Atlantic regions (approximately 55% of capacity). AmerGen's generating resources are also in the Midwest and the Mid Atlantic regions. Sithe's generating resources are primarily in the New England region.

Nuclear Facilities

Generation has ownership interests in eight nuclear generating stations, consisting of 16 units with 13,949 MW of capacity (Exelon share). For additional information, see ITEM 2. Properties. All of the nuclear generating stations are operated by Generation, with the exception of Salem Generating Station (Salem), which is operated by PSE&G Nuclear, LLC. In addition, AmerGen owns and operates three nuclear generating stations, consisting of three units with 2,378 MW of capacity.

In 2000, approximately 59% of Exelon's electric output (including output of ComEd prior to the merger) was generated from the nuclear generating facilities. During 2000 and 1999, the nuclear generating facilities now owned by Generation operated at weighted average capacity factors of 94% and 89%, respectively.

Generation is in the process of increasing the capacity of its nuclear fleet through power uprates and plant modifications and refinements. Power uprate projects involve equipment and instrumentation modifications which require NRC approval. These power uprate projects have the potential of adding up to 885 MW of capacity by the end of 2003. Generation is also pursuing other capacity additions through plant modifications and refinements of several nuclear units that have the potential of adding between 60 MW and 90 MW of capacity.

On September 30, 1999, Exelon reached an agreement to purchase an additional 7.51% ownership interest in Peach Bottom Atomic Power Station (Peach Bottom), constituting 164 MW of capacity, from Atlantic City Electric Company and Delmarva Power & Light Company for $18 million. On December 24, 2000, Exelon completed the purchase of Delmarva Power & Light Company's 3.755% interest in Peach Bottom for $9 million. The purchase of Atlantic City Electric Company's ownership interest is still pending regulatory approval, which is expected in 2001.

Regulation. Generation is subject to the jurisdiction of the NRC with respect to its nuclear generating stations. The NRC regulations control the granting of permits and licenses for the construction and operation of nuclear generating stations and subject such stations to continuing review and regulation. The NRC review and regulatory process covers, among other things, the operations, maintenance, and environmental and radiological aspects of such stations. The NRC may modify, suspend or revoke licenses and impose civil penalties for failure to comply with the Atomic Energy Act, the regulations under such Act or the terms of such licenses. Changes in regulations by the NRC that require a substantial increase in capital expenditures for nuclear generating facilities or that result in increased operating costs of nuclear generating units could adversely affect Exelon and its results of operations.

In April 2000, the NRC implemented a Revised Reactor Oversight Process that replaced the Systematic Assessment of Licensee Performance process. The new process relies on quantifiable performance indicators and inspections of areas not covered by indicators to determine safety performance. An overall assessment of performance is provided by the NRC on an annual basis and reflects the combination of performance indicators and inspection results.

Nuclear Waste Disposal. There are no commercial facilities for the reprocessing of spent nuclear fuel (SNF) currently in operation in the United States, nor has the NRC licensed any such facilities. Generation currently stores all SNF from its nuclear generating facilities in on-site, spent-fuel storage pools and, for certain plants in dry cask storage facilities. The spent fuel storage pools at Generation's nuclear plants may not have sufficient storage capacity for the life of the plant and additional storage facilities may be required.

Under the Nuclear Waste Policy Act of 1982 (NWPA), the U.S. Department of Energy (DOE) is responsible for the disposal of SNF and other high-level radioactive waste. ComEd and PECO each signed contracts with the DOE (Standard Contract) to provide for disposal of SNF from their respective nuclear generating stations. In accordance with the NWPA and the Standard Contract, ComEd and PECO pay the DOE one mill ($.001) per kWh of net nuclear generation to cover the cost of SNF disposal. This fee may be adjusted prospectively in order to ensure full disposal cost recovery by DOE. In July 1996, the U.S. Court of Appeals for the District of Columbia (D.C. Court of Appeals), in response to a suit filed by a group of utilities, ruled that the DOE had an unequivocal obligation to begin to accept SNF in 1998. In November 1997, the D.C. Court of Appeals issued a decision in which it confirmed its earlier decision that the DOE has an unconditional obligation to begin disposal of SNF by January 31, 1998, but directed utilities to pursue contractual remedies for DOE's failure to perform.

In July 1998, ComEd filed a complaint against the DOE in the United States Court of Federal Claims seeking to recover damages caused by the DOE's failure to honor its contractual obligation to begin disposing of SNF in January 1998. In August 2000, the United States Court of Appeals for the Federal Circuit decided two other similar cases, granting partial summary judgment on liability for the plaintiff utility. ComEd has requested that the Court of Claims grant its pending summary judgment motion on liability, particularly in light of this Federal Circuit's decision.

In July 2000, PECO entered into an agreement with the DOE relating to Peach Bottom to address the DOE's failure to begin removal of SNF in January 1998, as required by the Standard Contract. Under that agreement, the DOE agreed to provide credits against future contributions to the nuclear waste fund to compensate for SNF storage costs incurred as a result of the DOE's breach of the Standard Contract. The agreement also provides that, upon request, the DOE will take title to the SNF and the interim storage facility at Peach Bottom provided certain conditions are met. In November 2000, eight utilities with nuclear power plants filed a Joint Petition for Review against the DOE with the United States Court of Appeals for the Eleventh Circuit seeking to invalidate that portion of the agreement providing for credits against nuclear waste fund payments on the ground that such provision is a violation of the NWPA. PECO has intervened as a defendant in that case, which is ongoing.

The Standard Contract with the DOE requires ComEd and PECO to pay the DOE a one-time fee applicable to nuclear generation through April 6, 1983. PECO has paid the one-time fee. Pursuant to the Standard Contract, ComEd has elected to pay the one-time fee of $277 million, with interest, just prior to the first delivery of SNF to the DOE. As of December 31, 2000, the liability for the one-time fee with interest was $810 million.

As a by-product of their operations, nuclear generating units produce low-level radioactive waste (LLRW). LLRW is accumulated at each generating station and permanently disposed of at a Federally licensed disposal facility. The Federal Low-Level Radioactive Waste Policy Act of 1980 provides that states may enter into compacts to provide for regional disposal facilities for LLRW and restrict use of such facilities to waste generated within the region. Illinois and the Commonwealth of Kentucky have entered into a compact, which has been approved by Congress as required by the Waste Policy Act. Neither Illinois nor Kentucky currently has an operational site, and none is currently expected to be operational until after the year 2011. Pennsylvania, which had agreed to be the host site for LLRW disposal facilities for generators located in Pennsylvania, Delaware, Maryland and West Virginia, has suspended the search for a permanent disposal site.

Generation has temporary on-site storage capacity at its nuclear generating stations for limited amounts of LLRW and has been shipping such waste to LLRW disposal facilities in South Carolina and Utah. Generation anticipates the possibility of continuing difficulties in disposing of LLRW. Generation is also pursuing alternative disposal strategies for LLRW, including a LLRW reduction program.

The National Energy Policy Act of 1992 requires, among other things, that utilities with nuclear reactors pay for the decommissioning and decontamination of the DOE nuclear fuel enrichment facilities. The total costs to domestic utilities are estimated to be $150 million per year through 2006, of which Generation's share is approximately $22 million per year. The Energy Policy Act provides that these costs are to be recoverable in the same manner as other fuel costs. ComEd and PECO are currently recovering these costs through regulated rates.

Insurance. The Price-Anderson Act currently limits the liability of nuclear reactor owners to $9.5 billion for claims that could arise from a single nuclear incident. The limit is subject to change to

account for the effects of inflation and changes in the number of licensed reactors. Generation carries the maximum available commercial insurance of $200 million and the remaining $9.3 billion is provided through mandatory participation in a financial protection pool. Under the Price-Anderson Act, all nuclear reactor licensees can be assessed up to $89 million per reactor per incident, payable at no more than $10 million per reactor per incident per year. This assessment is subject to inflation and state premium taxes. In addition, the U.S. Congress could impose revenue raising measures on the nuclear industry to pay claims if the damages from an incident at a licensed nuclear facility exceed $9.5 billion. The Price-Anderson Act and the extensive regulation of nuclear safety by the NRC do not preclude claims under state law for personal, property or punitive damages related to radiation hazards.

Property insurance is maintained for each nuclear power plant in which Generation has an ownership interest. Generation is responsible for its proportionate share of premiums for such insurance based on its ownership interest. Generation's insurance policies provide coverage for decontamination liability expense, premature decommissioning and loss or damage to its nuclear facilities. These policies require that insurance proceeds first be applied to assure that, following an accident, the facility is in a safe and stable condition and can be maintained in such condition. Within 30 days of stabilizing the reactor, the licensee must submit a report to the NRC that provides a clean-up plan, including the identification of all clean-up operations necessary to decontaminate the reactor to permit either the resumption of operations or decommissioning of the facility. Under Generation's insurance policies, proceeds not already expended to place the reactor in a stable condition must be used to decontaminate the facility. If, as a result of an accident, the decision is made to decommission the facility, a portion of the insurance proceeds will be allocated to a fund that Generation is required by the NRC to maintain to decommission the facility. These proceeds would be paid to the fund to make up any difference between the amount of money in the fund at the time of the early decommissioning and the amount that would have been in the fund if contributions had been made over the normal life of the facility. Generation is unable to predict what effect these requirements may have on the timing of the availability of insurance proceeds to creditors and the amount of such proceeds that would be available. Under the terms of the various insurance agreements, Generation could be assessed up to $69 million for losses incurred at any plant insured by the insurance companies. Generation is self-insured to the extent that any losses may exceed the amount of insurance maintained. Any such losses could have a material adverse effect on Exelon's financial condition or results of operations.

Generation is a member of an industry mutual insurance company that provides replacement power cost insurance in the event of a major accidental outage at a nuclear station. The policy contains a waiting period before recovery of costs can commence. The premium for this coverage is subject to assessment for adverse loss experience. Generation's maximum share of any assessment is $18 million per year.

In addition, Generation participates in the American Nuclear Insurers Master Worker Program, which provides coverage for worker tort claims filed for bodily injury caused by a nuclear energy accident. This program was modified, effective January 1, 1998, to provide coverage to all workers whose nuclear-related employment began on or after the commencement date of reactor operations. Generation will not be liable for a retrospective assessment under this new policy. However, in the event losses incurred under the small number of policies in the old program exceed accumulated reserves, a maximum retroactive assessment of up to $50 million could apply.

Decommissioning. NRC regulations require that licensees of nuclear generating facilities demonstrate reasonable assurance that funds will be available in certain minimum amounts at the end of the life of the facility to decommission the facility. Based on estimates of decommissioning costs

for each of the nuclear facilities in which Generation has an ownership interest, the PUC permits PECO and the ICC permits ComEd to collect from its customers and deposit in segregated accounts amounts which, together with earnings thereon, will be used to decommission such nuclear facilities. At December 31, 2000, Generation's current estimate of its nuclear facilities' decommissioning cost was $6.9 billion. At December 31, 2000, ComEd and PECO held $3.1 billion in trust accounts, representing amounts recovered from customers and net realized and unrealized investment earnings thereon, to fund future decommissioning costs. The decommissioning liabilities and related trust funds were transferred to Generation as of January 1, 2001 pursuant to Exelon's corporate restructuring. Amounts collected by ComEd and PECO to fund decommissioning costs will continue to be paid into the nuclear decommissioning trust funds.

In connection with the transfer of ComEd's nuclear generating stations to Generation, ComEd asked the ICC to approve the continued recovery of decommissioning costs after the transfer. On December 20, 2000, the ICC issued an order finding that the ICC has the legal authority to permit ComEd to continue to recover decommissioning costs from ComEd's customers for the six-year term of the power purchase agreement between ComEd and Generation. Under the ICC order, ComEd is permitted to recover $73 million per year from customers for decommissioning for the years 2001 through 2004. In 2005 and 2006, ComEd can recover up to $73 million annually, depending upon the portion of the output of the former ComEd nuclear stations that ComEd purchases from Generation. Subsequent to 2006, there will be no further recoveries of decommissioning costs from customers. The ICC order also provides that any surplus funds after ComEd's former nuclear stations are decommissioned must be refunded to ComEd's customers. The amount of recovery in the ICC order is less than the $84 million annual amount ComEd recovered in 2000. The ICC order is currently pending appeal in the Illinois Appellate Court.

Fuel

The following table shows sources of electric output for 2000 (including output of ComEd prior to the merger) and sources of electric output as estimated for 2001:

	Electric Output 2000	Electric Output 2001 (Est.)
Nuclear	59%	62%
Fossil including Hydro	6%	6%
Purchased, interchange and nonutility generated	35%	32%
	100%	100%

The fuel costs for nuclear generation are substantially less than fossil-fuel generation. Consequently, nuclear generation is the most cost-effective way for Generation to meet its commitment to supply the base load requirements of ComEd, PECO and Exelon Energy and for sales to other utilities.

The cycle of production and utilization of nuclear fuel includes the mining and milling of uranium ore into uranium concentrates; the conversion of uranium concentrates to uranium hexafluoride; the enrichment of the uranium hexafluoride; the fabrication of fuel assemblies; and the use of the nuclear fuel in the generating station reactor. Generation has uranium concentrate inventory and supply contracts sufficient to meet all of its uranium concentrate requirements through 2001. Generation's contracted conversion services are sufficient to meet all of its uranium conversion requirements through 2002. All

of Generation's enrichment requirements have been contracted through 2004. Contracts for fuel fabrication have been obtained through 2005. Generation does not anticipate difficulty in obtaining the necessary uranium concentrates or conversion, enrichment or fabrication services for its nuclear units.

Generation obtains approximately 25% of its enrichment services from European suppliers. There is an ongoing trade action by USEC, Inc. alleging dumping in the United States against European enrichment services suppliers. If the trade action is resolved unfavorably against the European suppliers, it could increase Generation's cost of enrichment services.

Coal is obtained for Generation's coal-fired capacity primarily through long-term contracts with the remainder supplied through either short-term contracts or spot-market purchases. Generation purchases fuel oil through a combination of short-term contracts and spot-market purchases. The contracts are normally not longer than one year in length. Fuel oil inventories are managed such that in the winter months sufficient volumes of fuel are available in the event of extreme weather conditions and during the remaining months inventory levels are managed to take advantage of favorable market pricing. Generation obtains natural gas for electric generation through a combination of long-term and short-term contracts and spot purchases as well as through PECO's own retail gas tariff.

Power Team

Generation competes in the wholesale electric generation business on a national basis. Generation competes on the basis of price and service offerings, utilizing its generation portfolio to assure customers of energy deliverability. Generation enters into bilateral arrangements for the purchase, sale and delivery of energy and competes in the developing wholesale spot markets for electricity.

Generation has agreed to supply ComEd and PECO with their respective load requirements for customers through 2006 and 2010, respectively. Generation has also contracted with Exelon Energy to meet its supply commitments pursuant to its competitive retail generation sales agreements. Under the agreements with ComEd and PECO, Generation will supply all of ComEd and PECO's needs to supply customers who do not select an alternative electric generation supplier through the end of the respective transition periods. Therefore, the supply requirements under the agreements will vary depending on how much of the load has selected an alternative supplier.

FERC's stated goal in promulgating Order 888 and related orders is to remove impediments to competition in the wholesale bulk power marketplace and to bring more efficient and lower cost power to electricity consumers. Generation has received authorization from FERC to sell energy at market-based rates.

Generation's wholesale operations include the physical delivery and marketing of power obtained through its generation capacity, and long, intermediate and short-term contracts. Generation seeks to maintain a net positive supply of energy and capacity, through ownership of generation assets and power purchase and lease agreements, to protect it from the potential operational failure of one of its owned or contracted power generating units. Generation has also contracted for access to additional generation through bilateral long-term power purchase agreements. These agreements are commitments related to power generation of specific generation plants and/or are dispatchable in nature similar to asset ownership. Generation enters into power purchase agreements with the objective of obtaining low-cost energy supply

sources to meet its physical delivery obligations to customers. Excess power is sold in the wholesale market. Generation has also purchased transmission service to ensure that it has reliable transmission capacity to physically move its power supplies to meet customer delivery needs. The intent and business objective for the use of its capital assets and contracts is to provide Generation with physical power supply to enable it to deliver energy to meet customer needs. Except for hedging purposes, Generation does not use financial contracts in its wholesale marketing activities. During 2001, Generation intends to pursue financial trading, primarily to complement the marketing of its generation portfolio. Generation intends to manage the risk of these activities through a mix of long-term and short-term supply obligations and through the use of established policies, procedures and trading limits.

Generation has entered into bilateral long-term contractual obligations for sales of energy to load-serving entities including electric utilities, municipalities, electric cooperatives, and retail load aggregators. Generation also enters into contractual obligations to deliver energy to wholesale market participants who primarily focus on the resale of energy products for delivery. Generation provides delivery of its energy to these customers through access to transmission assets or rights for transmission service.

In addition, Generation has entered into long-term power purchase agreements with independent power producers under which Generation makes fixed capacity payments in return for exclusive rights to the energy and capacity of the generating units for a fixed period. The terms of the long-term power purchase agreements enable Generation to dispatch energy from the plants.

At December 31, 2000, Generation had long-term commitments, in megawatt-hours (MWh) and dollars, relating to the purchase and sale of energy, capacity and transmission rights from unaffiliated utilities and others as expressed in the following tables (in millions):

	Power Only			
	Purchases		Sales	
	MWh	Dollars	MWh	Dollars
2001	17	$362	36	$ 840
2002	11	167	18	371
2003	9	135	15	327
2004	5	71	8	190
2005	4	61	6	148
Thereafter	5	81	4	87
Total		$877		$1,963

	Capacity Purchases in Dollars	Capacity Sales in Dollars	Transmission Rights Purchases in Dollars
2001	$ 856	$ 32	$ 119
2002	881	21	35
2003	786	16	32
2004	778	3	25
2005	414	3	25
Thereafter	5,200	8	80
Total	$8,915	$ 83	$ 316

Capital Expenditures

Generation's estimated capital expenditures for 2001 are as follows:

	(Millions of $)
Production Plant	$459
Nuclear Fuel	308
Investment in AmerGen	185
Total	$952

Capital expenditures for production plant include expenditures to increase capacity of existing plants.

Sithe

As a result of a purchase in December 2000, Exelon owns a 49.9% interest in Sithe, an independent power producer. The remaining 50.1% is owned by Vivendi, SA (34%), Marubeni Corp. (15%) and Sithe Management (1%). As part of the transaction, Exelon has the right to purchase the remaining 50.1% interest in Sithe from Vivendi, Marubeni and Sithe Management within two to five years at a price based on market conditions when the call option is exercised. Alternatively, Vivendi, Marubeni and Sithe Management have the right to require Exelon to purchase the remaining 50.1% within two to five years at a price based on market conditions when the option is exercised. Exelon accounts for its investment in Sithe under the equity method of accounting.

Sithe presently owns and operates 27 power generation facilities in North America, with approximately 3,800 MW of net merchant generating capacity. It has 11 facilities under construction with an estimated capacity of 2,500 MW and approximately 3,700 MW of generation capacity in various stages of advanced development.

AmerGen

In 1997, Exelon and British Energy formed AmerGen to pursue opportunities to acquire and operate nuclear generating stations in the United States. Generation and British Energy each own a 50% equity interest in AmerGen. Exelon accounts for its investment in AmerGen under the equity method of accounting.

In 1999, AmerGen, purchased Clinton Nuclear Power Station (Clinton) and Three Mile Island Unit No. 1 Nuclear Generating Facility (TMI). Clinton is a boiling water reactor with a capacity of 933 MW. TMI is a pressurized water reactor with a capacity of 814 MW.

In August 2000, AmerGen completed the purchase of Oyster Creek Nuclear Generation Facility (Oyster Creek) from GPU, Inc. (GPU) for $10 million. Oyster Creek is a boiling water reactor with a capacity of 630 MW.

In conjunction with each of the completed acquisitions, AmerGen has entered into a power purchase agreement providing the seller with all or a portion of the energy produced at the acquired facility for periods of two to five years. The energy produced at the plants not sold under the power purchase agreement is sold in the wholesale market. At the closing of each acquisition, AmerGen received funded decommissioning trust funds, with assets to cover the anticipated costs to decommission each nuclear plant following its licensed life, including an annual net growth rate of 2% in

accordance with NRC regulations. AmerGen believes that the amount of the trust funds and investment earnings thereon will be sufficient to meet its decommissioning obligations.

Enterprises

Enterprises combines the competitive businesses formerly held by PECO and Unicom. Enterprises focuses its business activities in the areas of infrastructure services, communications, retail energy sales, energy services and related investments.

Exelon Infrastructure Services, Inc. (EIS) provides infrastructure services, including infrastructure construction, operation management and maintenance services to owners of electric, gas, cable and communications systems, including industrial and commercial customers, utilities and municipalities, throughout the United States. Since it was established in 1997, EIS has acquired thirteen infrastructure service companies. Currently, EIS has annualized revenues of over $1 billion and employs more than 8,000 people.

Exelon Energy provides retail electric and gas services as an unregulated retail energy supplier in Illinois, Massachusetts, Michigan, New Jersey, Ohio, Pennsylvania and other areas in the Midwest and Northeast United States.

Exelon Services is engaged in the design, installation and servicing of heating, ventilation and air conditioning facilities for commercial and industrial customers. Exelon Services also provides energy-related services, including performance contracting and energy management systems.

Exelon Thermal Technologies provides district cooling and related services to offices and other buildings in the central business district of Chicago and in other cities in North America, generally working with local utilities. District cooling involves the production of chilled water at one or more central locations and its circulation to customers' buildings, primarily for air conditioning.

Exelon Communications is the unit of Enterprises through which Exelon manages its communications investments. Exelon Communications' principal investments are PECOAdelphia Communications and AT&T Wireless PCS of Philadelphia, LLC (AT&T Wireless Philadelphia). PECOAdelphia is a competitive local exchange carrier, providing local and long-distance, point-to-point voice and data communications, internet access and enhanced data services for businesses and institutions in eastern Pennsylvania. PECOAdelphia utilizes a large-scale, fiber-optic cable-based network that currently extends over 700 miles and is connected to major long-distance carriers and local businesses. PECOAdelphia is a 50% owned joint venture with Adelphia Business Solutions. Formed in 1996, AT&T Wireless Philadelphia is a joint venture to provide personal communications services (PCS) in the Philadelphia metropolitan trading area. AT&T Wireless Philadelphia has completed the initial build-out of its digital wireless PCS network and commercially launched PCS service in October 1997. Enterprises holds a 49% equity interest in AT&T Wireless Philadelphia.

Exelon Capital Partners was created in 1999 as a vehicle for direct venture capital investing in the areas of unregulated energy sales, energy services, utility infrastructure services, e-commerce and communications. At December 31, 2000, Exelon Capital Partners had made direct investments in eight companies, with funding commitments totaling approximately $100 million. The investment mix was weighted toward the communications industry, but also included companies in energy services and retail services, including e-commerce.

Employees

As of January 1, 2001, Exelon and its subsidiaries had approximately 29,000 employees, including 2,700 employees at PECO and 8,000 employees at ComEd. The number of employees does not include employees of joint ventures. As a result of the restructuring of Exelon's operations in January 2001, Energy Delivery, Generation and Enterprises had approximately 10,700, 7,500 and 9,800 employees, respectively.

Over the past several years, a number of unions have filed petitions with the National Labor Relations Board to hold certification elections with regard to different segments of employees within PECO. In all cases, PECO employees have rejected union representation. PECO expects that such petitions will continue to be filed in the future.

Approximately 7,400 employees, including 5,100 employees of ComEd and 2,200 employees of Generation, are covered by a collective bargaining agreement with Local 15 of the International Brotherhood of Electrical Workers. ComEd reached agreement with Local 15 on the pension, as well as other benefits, on September 15, 2000. The collective bargaining agreement with Local 15 expires on March 31, 2001. Negotiations are ongoing with respect to a new collective bargaining agreement.

In addition, approximately 3,100 EIS employees are represented by unions, including approximately 1,500 employees who are represented by various local unions of the International Brotherhood of Electrical Workers. The remaining union employees are members of a number of different local unions, including laborers, welders, operators, plumbers and machinists.

Environmental Regulation

General

Specific operations of Exelon, primarily those of Generation, are subject to regulation regarding environmental matters by the United States and by the states of Illinois, Pennsylvania, New Jersey and Iowa and by local jurisdictions where Exelon operates its facilities. The Illinois Pollution Control Board (IPCB) has jurisdiction over environmental control in the State of Illinois, together with the Illinois Environmental Protection Agency, which enforces regulations of the IPCB and issues permits in connection with environmental control. The Pennsylvania Department of Environmental Protection (PDEP) has jurisdiction over environmental control in the Commonwealth of Pennsylvania. State regulation includes the authority to regulate air, water and noise emissions and solid waste disposals. The United States Environmental Protection Agency (EPA) administers certain Federal statutes relating to such matters.

Water

Under the Federal Clean Water Act, National Pollutant Discharge Elimination System (NPDES) permits for discharges into waterways are required to be obtained from the EPA or from the state environmental agency to which the permit program has been delegated. Those permits must be renewed periodically. Generation either has NPDES permits for all of its generating stations or has pending applications for such permits. Generation is also subject to the jurisdiction of certain other state agencies, including the Delaware River Basin Commission and the Susquehanna River Basin Commission.

Solid and Hazardous Waste

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (CERCLA), provides for immediate response and removal actions coordinated by the EPA in the event of threatened releases of hazardous substances into the

environment and authorizes the U.S. Government either to clean up sites at which hazardous substances have created actual or potential environmental hazards or to order persons responsible for the situation to do so. Under CERCLA, generators and transporters of hazardous substances, as well as past and present owners and operators of hazardous waste sites, are strictly, jointly and severally liable for the cleanup costs of waste at sites, most of which are listed by the EPA on the National Priorities List (NPL). These potentially responsible parties (PRPs) can be ordered to perform a cleanup, can be sued for costs associated with a EPA-directed cleanup, may voluntarily settle with the U.S. Government concerning their liability for cleanup costs, or may voluntarily begin a site investigation and site remediation under state oversight prior to listing on the NPL. Various states, including Illinois, have enacted statutes that contain provisions substantially similar to CERCLA. In addition, the Resource Conservation and Recovery Act (RCRA) governs treatment, storage and disposal of solid and hazardous wastes and cleanup of sites where such activities were conducted.

Generation, PECO and ComEd and their subsidiaries are or are likely to become parties to proceedings initiated by the EPA, state agencies and/or other responsible parties under CERCLA and RCRA with respect to a number of sites, including manufactured gas plant (MGP) sites, or may voluntarily undertake to investigate and remediate sites for which they may be liable.

By notice issued in November 1986, the EPA notified over 800 entities, including PECO and ComEd, that they may be PRPs under CERCLA with respect to releases of radioactive and/or toxic substances from the Maxey Flats disposal site, a LLRW disposal site near Moorehead, Kentucky, where PECO and ComEd wastes were deposited. Approximately 90 PRPs, including PECO, formed a steering committee to investigate the nature and extent of possible involvement in this matter. The steering committee preliminarily estimated that implementing the EPA proposed remedy at the Maxey Flats site would cost $60-$70 million in 1993 dollars. A settlement was reached among the Federal and private PRPs, the Commonwealth of Kentucky and the EPA concerning their respective roles and responsibilities in conducting remedial activities at the site. Under the settlement, the private PRPs agreed to perform the initial remedial work at the site and the Commonwealth of Kentucky agreed to assume responsibility for long-range maintenance and final remediation of the site. Exelon estimates that it will be responsible for approximately $1.4 million of the remediation costs to be incurred by the private PRPs. On April 18, 1996, a consent decree, which included the terms of the settlement, was entered by the United States District Court for the Eastern District of Kentucky. The PRPs have entered into a contract for the design and implementation of the remedial plan and work has commenced.

By notice issued in December 1987, the EPA notified several entities, including PECO, that they may be PRPs under CERCLA with respect to wastes resulting from the treatment and disposal of transformers and miscellaneous electrical equipment at a site located in Philadelphia, Pennsylvania (the Metal Bank of America site). Several of the PRPs, including PECO, formed a steering committee to investigate the nature and extent of possible involvement in this matter. On May 29, 1991, a Consent Order was issued by the EPA pursuant to which the members of the steering committee agreed to perform the remedial investigation and feasibility study as described in the work plan issued with the Consent Order. PECO's share of the cost of study was approximately 30%. On July 19, 1995, the EPA issued a proposed plan for remediation of the site which involves removal of contaminated soil, sediment and groundwater and which the EPA estimated would cost approximately $17 million to implement. On June 26, 1998, the EPA issued an Order to the non-de minimis PRP Group members, and others, including the owner, to implement the remedial design (RD) and remedial action (RA). The PRP group is proceeding as required by the Order. It has selected a contractor which has been approved by the EPA, and, on November 5, 1998, submitted the draft RD work plan. The EPA has approved the PRP Group's RD work plan and based upon the RD investigation, the EPA has modified the work plan. On March 5, 2001, the PRP group submitted a revised RD to the EPA, in which it estimates the cost to implement the RA to range from $14 million to $27 million. The EPA and the PRPs are also involved in litigation with the site owner concerning remediation liability. PECO is unable to estimate its share of the costs of the remedial activities.

MGP Sites

MGPs manufactured gas in Illinois and Pennsylvania from approximately 1850 to 1950. ComEd generally did not operate MGPs as a corporate entity but did, however, acquire MGP sites as part of the absorption of smaller utilities. Approximately half of these sites were transferred to Nicor Gas as part of a general conveyance in 1954. ComEd also acquired former MGP sites as vacant real estate on which ComEd facilities have been constructed. To date, ComEd has identified 44 former MGP sites for which it may be liable for remediation. Similarly, PECO has identified 28 sites where former MGP activities may have resulted in site contamination. With respect to these sites, ComEd and PECO are presently engaged in performing various levels of activities, including initial evaluation to determine the existence and nature of the contamination, detailed evaluation to determine the extent of the contamination and the necessity and possible methods of remediation, and implementation of remediation. Overseeing state regulatory agencies have approved the remediation of five MGP sites, while 35 other sites are currently under some degree of active study or remediation. At December 31, 2000, Exelon had accrued $140 million for investigation and remediation of these MGP sites that currently can be reasonably estimated. Exelon believes that it could incur additional liabilities with respect to MGP sites, which cannot be reasonably estimated at this time. Exelon has sued a number of insurance carriers seeking indemnity/coverage for remediation costs associated with these former MGP sites.

Air

Air quality regulations promulgated by the EPA, the PDEP and the City of Philadelphia in accordance with the Federal Clean Air Act and the Clean Air Act Amendments of 1990 (Amendments) impose restrictions on emission of particulates, sulfur dioxide (SO(2)), nitrogen oxides (NO(x)) and other pollutants and require permits for operation of emission sources. Such permits have been obtained by Exelon's subsidiaries and must be renewed periodically.

The Amendments establish a comprehensive and complex national program to substantially reduce air pollution. The Amendments include a two-phase program to reduce acid rain effects by significantly reducing emissions of SO(2) and NO(x) from electric power plants. Flue-gas desulfurization systems (scrubbers) have been installed at all of Generation's coal-fired units other than the Keystone Station. Keystone is subject to, and in compliance with, the Phase II SO(2) and NO(x) limits of the Amendments, which became effective January 1, 2000. Generation and the other Keystone co-owners are purchasing SO(2) emission allowances to comply with the Phase II limits.

Generation has completed implementation of measures, including the installation of NO(x) emissions controls and the imposition of certain operational constraints, to comply with the Reasonably Available Control Technology limitations of the Amendments. Generation expects that the cost of compliance with anticipated air-quality regulations may be substantial due to further limitations on permitted NO(x) emissions.

The EPA has issued two regulations to limit nitrogen oxide (NO(x)) emissions from power plants in the eastern United States to address the "ozone transport" issue. The first regulation was issued on September 24, 1998. The original NO(x) regulation covered power plants in the 22 eastern states and had an effective date of May 1, 2003. As a result of litigation at the D.C. Circuit Court of Appeals, the original NO(x) regulation was revised to cover 19 eastern states (rather than the original 22) and the effective date was delayed by approximately one year to May 31, 2004. In most other respects, the original NO(x) regulation was substantively upheld by the Court. Both Pennsylvania and Illinois power plants are covered by the original NO(x) regulation. The second EPA regulation, referred to as the "Section 126 Petition Regulation," was issued on May 25, 1999. This regulation was issued by the EPA in response to downwind state (Connecticut, Maine, Massachusetts, New Hampshire, New York, Pennsylvania,

Rhode Island, Vermont) complaints under Section 126 of the Clean Air Act that upwind state NO(x) emissions were negatively impacting downwind states' ability to attain the Federal ozone standard. The Section 126 Petition Regulation requires substantively the same NO(x) reduction requirement for the power generation sector as the original NO(x) regulation. However, the Section 126 Petition Regulation covers a more limited number of states (Delaware, Indiana, Kentucky, Maryland, Michigan, North Carolina, New Jersey, New York, Ohio, Virginia and West Virginia). It does not cover power plants in Illinois. The compliance date of the Section 126 Petition Regulation is May 1, 2003, one year earlier than states covered only under the original NO(x) regulation. The Section 126 Petition Regulation is currently being litigated in the D.C. Circuit Court of Appeals with a decision expected in spring 2001. On September 23, 2000, Pennsylvania issued final state NO(x) reduction regulations for power plants that satisfy both the original NO(x) regulation and the Section 126 Petition Regulation. The Pennsylvania regulation is effective May 1, 2003. Exelon is currently evaluating options to comply with the new Pennsylvania regulations. These regulations could restrict the operation of the Generation's fossil-fired units, require the purchase of NO(x) emission allowances from others, or require the installation of additional control equipment.

Many other provisions of the Amendments affect activities of Exelon's business, primarily Generation. The Amendments establish stringent control measures for geographical regions which have been determined by the EPA to not meet National Ambient Air Quality Standards; establish limits on the purchase and operation of motor vehicles and require increased use of alternative fuels; establish stringent controls on emissions of toxic air pollutants and provide for possible future designation of some utility emissions as toxic; establish new permit and monitoring requirements for sources of air emissions; and provide for significantly increased enforcement power, and civil and criminal penalties.

Costs

At December 31, 2000, Exelon accrued $172 million for various investigation and remediation costs that can be reasonably estimated, including approximately $140 million for investigation and remediation of former MGP sites as described above. Exelon cannot currently predict whether it will incur other significant liabilities for additional investigation and remediation costs at sites presently identified or additional sites which may be identified by Exelon, environmental agencies or others or whether all such costs will be recoverable through rates or from third parties.

Exelon's budget for capital requirements for 2001 for compliance with environmental requirements total approximately $8 million. In addition, Exelon may be required to make significant additional expenditures not presently determinable.

Related Entities

PECO Energy Transition Trust (PETT), a Delaware business trust wholly owned by PECO, was formed on June 23, 1998 pursuant to a trust agreement between PECO, as grantor, First Union Trust Company, National Association, as issuer trustee, and two beneficiary trustees appointed by PECO. PETT was created for the sole purpose of issuing transition bonds to securitize a portion of PECO's authorized stranded cost recovery. On March 25, 1999, PETT issued $4 billion of its Series 1999-A

Transition Bonds. On May 2, 2000, PETT issued $1 billion of its Series 2000-A Transition Bonds and on March 1, 2001, PETT issued $805 million of its Series 2001-A Transition Bonds to refinance a portion of the Series 1999-A Transition Bonds. The Transition Bonds are solely obligations of PETT secured by intangible transition property, representing the right to collect transition charges sufficient to pay the principal and interest on the Transition Bonds, sold by PECO to PETT.

PECO Energy Capital Corp., a wholly owned subsidiary of PECO, is the sole general partner of PECO Energy Capital, L.P., a Delaware limited partnership (Partnership). The Partnership was created solely for the purpose of issuing preferred securities, representing limited partnership interests and lending the proceeds thereof to PECO and entering into similar financing arrangements. The loans to PECO are evidenced by PECO's subordinated debentures (Subordinated Debentures), which are the only assets of the Partnership. The only revenues of the Partnership are interest on the Subordinated Debentures. All of the operating expenses of the Partnership are paid by PECO Energy Capital Corp. As of December 31, 2000, the Partnership held $128.1 million aggregate principal amount of the Subordinated Debentures.

PECO Energy Capital Trust II (Trust II) was created in June 1997 as a Delaware business trust solely for the purpose of issuing trust receipts (Trust II Receipts) each representing an 8.00% Cumulative Monthly Income Preferred Security, Series C (Series C Preferred Securities) of the Partnership. The Partnership is the sponsor of Trust II. As of December 31, 2000, Trust II had outstanding 2,000,000 Trust II Receipts. At December 31, 2000, the assets of Trust II consisted solely of 2,000,000 Series C Preferred Securities with an aggregate stated liquidation preference of $50 million. Distributions were made on the Trust II Receipts during 2000 in the aggregate amount of $4 million. Expenses of Trust II for 2000 were approximately $50,000, all of which were paid by PECO Energy Capital Corp. The Trust II Receipts are issued in book-entry only form.

PECO Energy Capital Trust III (Trust III) was created in April 1998 as a Delaware business trust solely for the purpose of issuing trust receipts (Trust III Receipts) each representing an 7.38% Cumulative Preferred Security, Series D (Series D Preferred Securities) of the Partnership. The Partnership is the sponsor of Trust III. As of December 31, 2000, Trust III had outstanding 78,105 Trust III Receipts. At December 31, 2000, the assets of Trust III consisted solely of 78,105 Series D Preferred Securities with an aggregate stated liquidation preference of $78.1 million. Distributions were made on Trust III Receipts during 2000 in the aggregate amount of $5.8 million. Expenses of Trust III for 2000 were approximately $50,000, all of which were paid by PECO Energy Capital Corp. The Trust III Receipts are issued in book-entry only form.

ComEd Financing I, a Delaware business trust, was formed by ComEd on July 21, 1995. ComEd Financing I was created solely for the purpose of issuing $200 million of trust preferred securities. The trust preferred securities were issued on September 26, 1995, carry an annual distribution rate of 8.48% and are mandatorily redeemable on September 30, 2035. The sole assets of ComEd Financing I are $206.2 million principal amount of 8.48% subordinated deferrable interest notes due September 30, 2035, issued by ComEd.

Similarly, ComEd Financing II, a Delaware business trust, was formed by ComEd on November 20, 1996. ComEd Financing II was created solely for the purpose of issuing $150 million of trust capital securities. The trust capital securities were issued on January 24, 1997, carry an annual distribution rate of 8.50% and are mandatorily redeemable on Janaury 15, 2027. The sole assets of ComEd Financing II are $154.6 million principal amount of 8.50% subordinated deferrable interest debentures due January 15, 2027, issued by ComEd.

ComEd Transitional Funding Trust (ComEd Funding Trust), a Delaware business trust, was formed on October 28, 1998, pursuant to a trust agreement among First Union Trust Company, National Association, as Delaware trustee, and

two individual trustees appointed by ComEd. ComEd Funding Trust was created for the sole purpose of issuing transitional funding notes to securitize intangible transition property granted to ComEd Funding LLC, a ComEd affiliate, by an ICC order issued July 21, 1998. On December 16, 1998, ComEd Funding Trust issued $3.4 billion of transitional funding notes, the proceeds of which were used to purchase the intangible transition property held by ComEd Funding LLC. ComEd Funding LLC transferred the proceeds to ComEd where they were used, among other things, to repurchase outstanding debt and equity securities of ComEd. The transitional funding notes are solely obligations of ComEd Funding Trust and are secured by the intangible transition property, which represents the right to receive instrument funding charges collected from ComEd's customers. The instrument funding charges represent a nonbypassable, usage-based, per kilowatt-hour charge on designated consumers of electricity.

Executive Officers of the Registrants at December 31, 2000

Exelon

Name	Age at Dec. 31, 2000	Position
McNeill, Jr., Corbin A.	61	Co-Chief Executive Officer and Chairman
Rowe, John W.	55	Co-Chief Executive Officer and President
Egan, Michael J.	47	Executive Vice President
Kingsley Jr., Oliver D.	58	Executive Vice President
Strobel, Pamela B.	48	Executive Vice President
Gillis, Ruth Ann M.	46	Senior Vice President and Chief Financial Officer
McLean, Ian P.	51	Senior Vice President
Mehrberg, Randall E.	45	Senior Vice President and General Counsel
Moler, Elizabeth A.	51	Senior Vice President, Government Affairs-Federal
Padron, Honorio J.	48	Senior Vice President
Snodgrass, S. Gary	49	Senior Vice President and Chief Human Resources Officer
Gibson, Jean	44	Vice President and Corporate Controller

ComEd

Name	Age at Dec. 31, 2000	Position
McNeill, Jr., Corbin A.	61	Co-Chief Executive Officer, ComEd
Rowe, John W.	55	President, Co-Chief Executive Officer and Chairman, ComEd
Egan, Michael J.	47	Executive Vice President, Exelon
Kingsley Jr., Oliver D.	58	Executive Vice President, Nuclear and Chief Nuclear Officer, ComEd
Strobel, Pamela B.	48	Executive Vice President, Energy Delivery, Exelon and Vice Chairman, ComEd
Clark, Frank M.	55	Senior Vice President, Distribution Customer and Marketing Services and External Affairs, ComEd
Gillis, Ruth Ann M.	46	Senior Vice President, Finance and Chief Financial Officer, Exelon
Helwig, David R.	50	Senior Vice President, Operations, ComEd
McLean, Ian P.	51	Senior Vice President, Power Team, ComEd
Mehrberg, Randall E.	45	Senior Vice President and General Counsel, Exelon
Moler, Elizabeth A.	51	Senior Vice President, Government Affairs-Federal, Exelon
Padron, Honorio J.	48	Senior Vice President, Business Services, ComEd
Snodgrass, S. Gary	49	Senior Vice President, Human Resources, ComEd
Gibson, Jean	44	Vice President and Controller, Exelon

PECO

Name	Age at Dec. 31, 2000	Position
McNeill, Jr., Corbin A.	61	President, Co-Chief Executive Officer and Chairman, PECO
Rowe, John W.	55	Co-Chief Executive Officer, PECO
Egan, Michael J.	47	Executive Vice President, Enterprises, PECO
Kingsley Jr., Oliver D.	58	Executive Vice President, Nuclear and Chief Nuclear Officer, PECO
Strobel, Pamela B.	48	Executive Vice President, Energy Delivery, Exelon and Vice Chairman, PECO
Gillis, Ruth Ann M.	46	Senior Vice President, Finance and Chief Financial Officer, Exelon
Lawrence, Kenneth G.	53	Senior Vice President, Distribution, PECO
McLean, Ian P.	51	Senior Vice President, Power Team, PECO
Mehrberg, Randall E.	45	Senior Vice President and General Counsel, Exelon
Moler, Elizabeth A.	51	Senior Vice President, Government Affairs-Federal, Exelon
Padron, Honorio J.	48	Senior Vice President, Business Services, PECO
Snodgrass, S. Gary	49	Senior Vice President, Human Resources, PECO
Gibson, Jean	44	Vice President and Controller, Exelon

Each of the above executive officers was elected to such office effective October 20, 2000, the closing date of the merger, except for Randall E. Mehrberg, who was elected effective December 1, 2000.

Each of the above executive officers holds such office at the discretion of the respective companys' board of directors until his or her replacement or earlier resignation, retirement or death.

Prior to his election to his current position, Mr. McNeill was Chairman of the Board, President and Chief Executive Officer of PECO Energy Company; President and Chief Executive Officer of PECO Energy Company; and President and Chief Operating Officer and Executive Vice President - Nuclear of PECO Energy Company.

Prior to his election to his current position, Mr. Rowe was Chairman, President and Chief Executive Officer of ComEd and Unicom Corporation; and President and Chief Executive Officer of New England Electric System.

Prior to his election to his current position, Mr. Egan was Senior Vice President, Finance and Chief Financial Officer of PECO Energy Company; Senior Vice President and Chief Financial Officer of Aristech Chemical Company; and Vice President of Planning and Control of ARCO Chemical Company, Americas.

Prior to his election to his current position, Mr. Kingsley was Executive Vice President of ComEd and Unicom, President and Chief Nuclear Officer - Nuclear Generation Group of ComEd; and Chief Nuclear Officer at the Tennessee Valley Authority.

Prior to her election to her current position, Ms. Strobel was Executive Vice President and General Counsel of ComEd and Unicom; Senior Vice President and General Counsel of ComEd and Unicom; and Vice President and General Counsel of ComEd.

Prior to her election to her current position, Ms. Gillis was Senior Vice President and Chief Financial Officer of ComEd and Unicom; Vice President and Treasurer of ComEd and Unicom; Vice President, Chief Financial Officer and Treasurer of the University of Chicago Hospitals and Health System; and Senior Vice President and Chief Financial Officer of American National Bank and Trust Company.

Prior to his election to his current position, Mr. McLean was President of the Power Team division of PECO Energy Company; and Group Vice President of Engelhard Corporation.

Prior to his election to his current position, Mr. Mehrberg was an equity partner with the law firm of Jenner & Block; and General Counsel and Lakefront Director of the Chicago Park District.

Prior to her election to her current position, Ms. Moler was Senior Vice President of ComEd and Unicom; Director of Unicom and ComEd; Partner at the law firm of Vinson & Elkins, LLP; Deputy Secretary of the U.S. Department of Energy; and Chair of the Federal Energy Regulatory Commission.

Prior to his election to his current position, Mr. Padron Executive was Vice President, Process Engineering and Chief Information Officer of CompUSA, Inc.; Senior Vice President and Chief Information Officer of Pepsico Restaurant Service Group; and Senior Vice President, Business Engineering and Technology and Chief Information Officer of Flagstar Corporation.

Prior to his election to his current position, Mr. Snodgrass was Senior Vice President of ComEd and Unicom; Vice President of ComEd and Unicom; and Vice President of USG Corporation.

Prior to her election to her current position, Ms. Gibson was Vice President and Controller of PECO Energy Company; and Director of Audit Services and Director of the Tax Division of PECO Energy Company.

Prior to his election to his current position, Mr. Clark was Senior Vice President of ComEd and Unicom; Vice President of ComEd; Governmental Affairs Vice President; and Governmental Affairs Manager.

Prior to his election to his current position, Mr. Helwig was Senior Vice President of ComEd; Vice President of ComEd; General Manager of General Electric Company's Nuclear Services Company; and Vice President at PECO Energy Company.

Prior to his election to his current position, Mr. Lawrence was Senior Vice President, Corporate and President, Distribution, of PECO Energy Company; Senior Vice President - Local Distribution of PECO Energy Company; Senior Vice President - Finance and Chief Financial Officer of PECO Energy Company; and Vice President - Gas Operations of PECO Energy Company.

ITEM 2. PROPERTIES.

Energy Delivery

The electric substations and a portion of the transmission rights of way of ComEd and PECO are owned in fee. A significant portion of the electric transmission and distribution facilities is located over or under highways, streets, other public places or property owned by others, for which permits, grants, easements or licenses, deemed satisfactory by ComEd and PECO, respectively, but without examination of underlying land titles, have been obtained.

Transmission and Distribution

Exelon's higher voltage electric transmission and distribution lines owned and in service are as follows:

Voltage (Volts)	Circuit Miles
ComEd:	
765,000	90
345,000	2,589
138,000	2,097
PECO:	
500,000	891
220,000	1,634
132,000	15

ComEd's electric distribution system includes 40,605 pole-line miles of overhead lines and 38,517 cable miles of underground lines. PECO's electric distribution system includes 48,222 circuit miles, 21,009 pole-line miles of overhead lines and 21,002 cable miles of underground lines.

Gas

The following table sets forth PECO's gas pipeline miles at December 31, 2000:

	Pipeline Miles
Transmission	28
Distribution	6,099
Service piping	5,030
Total	11,157

PECO has a liquefied natural gas facility located in West Conshohocken, Pennsylvania which has a storage capacity of 1,200,000 million cubic feet (mcf) and a sendout capacity of 157,000 mcf/day and a propane-air plant located in Chester, Pennsylvania, with a tank storage capacity of 1,980,000 gallons and a peaking capability of 28,800 mcf/day. In addition, PECO owns 27 natural gas city gate stations at various locations throughout its gas service territory.

Mortgages

The principal plants and properties of ComEd are subject to the lien of ComEd's Mortgage dated July 1, 1923, as amended and supplemented, under which ComEd's first mortgage bonds are issued.

The principal plants and properties of PECO are subject to the lien of PECO's Mortgage dated May 1, 1923, as amended and supplemented, under which PECO's first mortgage bonds are issued.

Generation

The following table sets forth Generation's owned net electric generating capacity by station at January 1, 2001:

Station	Location	Net Generating Capacity (1) (Kilowatts)	Estimated Retirement Year
Nuclear(2)			
Braidwood	Braidwood, IL	2,308,000	2026, 2027
Byron	Byron, IL	2,304,000	2024, 2026
Dresden	Morris, IL	1,592,000	2009, 2011
LaSalle County	Seneca, IL	2,291,000	2022, 2023
Limerick	Limerick Twp., PA	2,312,000	2024, 2029
Peach Bottom	Peach Bottom Twp., PA	1,028,000(3)	2013, 2014
Quad Cities	Cordova, IL	1,172,000(3)	2011, 2012
Salem	Hancock's Bridge, NJ	942,000(3)	2016, 2020
	Total Nuclear	13,949,000	
Hydro			
Conowingo	Harford Co., MD	512,000	2014
Pumped Storage			
Muddy Run	Lancaster Co., PA	977,000	2014
Fossil (Steam Turbines)			
Cromby	Phoenixville, PA	345,000	(4)
Delaware	Philadelphia, PA	250,000	(4)
Eddystone	Eddystone, PA	1,341,000	2009, 2010, 2011
Schuylkill	Philadelphia, PA	166,000	(4)
Conemaugh	New Florence, PA	352,000(3)	2005, 2006
Keystone	Shelocta, PA	357,000(3)	2002, 2003
Total Fossil (Steam Turbine)		2,811,000	
Fossil (Gas Turbines)			
Chester	Chester, PA	39,000	(4)
Croydon	Bristol Twp., PA	380,000	(4)
Delaware	Philadelphia, PA	56,000	(4)
Eddystone	Eddystone, PA	60,000	(4)
Fairless Hills	Falls Twp., PA	60,000	(4)
Falls	Falls Twp., PA	51,000	(4)
Moser	Lower Pottsgrove Twp., PA	51,000	(4)
Pennsbury	Falls Twp., PA	6,000	(4)
Richmond	Philadelphia, PA	96,000	(4)
Schuylkill	Philadelphia, PA	30,000	(4)
Southwark	Philadelphia, PA	52,000	(4)
Salem	Hancock's Bridge, NJ	16,000(3)	(4)
Total Fossil (Gas Turbines)		897,000	
Fossil (Internal Combustion)			
Cromby	Phoenixville, PA	2,700	(4)
Delaware	Philadelphia, PA	2,700	(4)
Schuylkill	Philadelphia, PA	2,800	(4)
Conemaugh	New Florence, PA	2,300(3)	2006
Keystone	Shelocta, PA	2,300(3)	2003
Total Fossil (Internal Combustion)		12,800	
Total		19,158,800	

(1) Nuclear stations reflect the annual mean rating. All other stations reflect a summer rating.
(2) All nuclear stations are boiling water reactors except Braidwood, Byron and Salem which are pressurized water reactors.
(3) Generation's portion.
(4) Retirement dates are under on-going review. Current plans call for the continued operation of these units beyond 2001.

The net generating capability available for operation at any time may be less due to regulatory restrictions, fuel restrictions, efficiency of cooling facilities and generating units being temporarily out of service for inspection, maintenance, refueling, repairs or modifications required by regulatory authorities.

Exelon and its subsidiaries maintain property insurance against loss or damage to its principal plants and properties by fire or other perils, subject to certain exceptions. For information regarding nuclear insurance, see ITEM 1. Business - Generation. Exelon and its subsidiaries are self-insured to the extent that any losses may exceed the amount of insurance maintained. Any such losses could have a material adverse effect on Exelon's consolidated financial condition and results of operations.

ITEM 3. LEGAL PROCEEDINGS.

Exelon

None.

PECO

On May 27, 1998, the United States Department of Justice, on behalf of the Rural Utilities Service (RUS) and the Chapter 11 Trustee for the Cajun Electric Power Cooperative Inc. filed an action claiming breach of contract against PECO in the United States District Court for the Middle District of Louisiana arising out of PECO's termination of the contract to purchase Cajun's interest in the River Bend nuclear power plant. In the complaint, RUS seeks the full purchase price of the 30% interest in the River Bend nuclear power plant,

that is, $50 million, plus interest and the Trustee seeks alleged consequential damages to Cajun's Chapter 11 estate as a result of the termination. On February 24, 2000, PECO and the plaintiffs filed cross-motions for summary judgment regarding the issue of liability. In addition, the court ordered counsel for PECO to file a supplemental motion for summary judgment on the issue of damages. On March 21, 2001, all of the pending motions and cross-motions for summary judgment were denied. While PECO cannot predict the outcome of this matter, PECO believes that it validly exercised its right of termination and did not breach the agreement.

Generation

Generation is involved in tax appeals regarding two of its nuclear facilities, Limerick Generating Station (Montgomery County, PA) and Peach Bottom (York County, PA). The Board of Assessment Appeals of Montgomery County has reduced the assessment of Limerick from $939 million to $912 million. Assessors in York County have valued Peach Bottom at $303 million. Primarily because of decommissioning costs inherent in the property and supported by comparable sales, Generation believes that the values for real property taxes for Limerick and Peach Bottom for 1998, 1999 and 2000 are negative. Generation is appealing the assessments in both counties. As of January 11, 2001, Generation and the Montgomery County taxing authorities entered into a stipulation and interim settlement agreement providing for partial payment of taxes pending the determination of the appeal. Generation and the York County taxing authorities are negotiating a stipulation and interim settlement agreement. Generation does not believe the outcome of these matters will have a material adverse effect on Generation's results of operations or financial condition.

ComEd

Three of ComEd's wholesale municipal customers filed a complaint and request for refund with FERC alleging that ComEd failed to properly adjust its rates, as provided for under the terms of the electric service contracts with the municipal customers and to track certain refunds made to ComEd's retail customers in the years 1992 through 1994. In the third quarter of 1998, the FERC granted the complaint and directed that refunds be made, with interest. ComEd filed a request for rehearing. On January 11, 2001, FERC issued its Order on Rehearing Requesting Submission of Additional Information. Responsive pleadings have been filed by all parties and final FERC action is still pending. ComEd's management believes an adequate reserve has been established in connection with the case.

In August 1999, three class action lawsuits were filed, and subsequently consolidated, in the Circuit Court of Cook County, Illinois seeking damages for personal injuries, property damage and economic losses from ComEd related to a series of service interruptions that occurred in the summer of 1999. The combined effect of these interruptions resulted in over 168,000 customers losing service for more than four hours. Conditional class certification has been approved by the Court for the sole purpose of exploring settlement talks. A hearing on a motion filed by ComEd to dismiss the complaints is scheduled for April 2001. A portion of any settlement or verdict may be covered by insurance and discussions with the carrier are ongoing. ComEd's management believes adequate reserves have been established in connection with these cases.

In 1999, the ICC opened an investigation regarding the design and reliability of ComEd's transmission and distribution system, which investigation was expanded during 2000 to include a circuit breaker fire that occurred in October 2000 at a ComEd substation. The ICC has issued several reports in that investigation covering the summer 1999 outages as well as the transmission and distribution system. These reports include recommendations and an implementation timetable. The recommendations are not legally binding on ComEd; however, the ICC may enforce them through litigation. Two more reports are anticipated in early 2001, and the investigation is expected to conclude by mid-2001. Since summer 1999, ComEd has devoted significant resources to improving the reliability of its transmission and distribution system. ComEd's management believes that the likelihood of a successful material claim resulting from the investigation is remote.

The Illinois Department of Revenue (Department) has issued Notices of Tax Liability to ComEd alleging deficiencies in Illinois invested capital tax for the years 1988 through 1997. The alleged deficiencies including interest and penalties totaled approximately $54 million as of December 31, 2000. The issue presented for each of the years in question is whether, for Illinois invested capital tax purposes, ComEd's liability under capital leases is to be included in long-term debt and thus form a part of ComEd's invested capital subject to the tax. ComEd's position is that the definition of invested capital for purposes of the tax is to be determined on the basis of ComEd's annual reports to the ICC, which, in accordance with ICC instructions, do not include capital leases in long-term debt. After December 31, 1997, the invested capital tax no longer applies as the result of legislation enacted in Illinois. ComEd has protested the notices, and the matter is currently pending before the Department's Office of Administrative Hearings. Interest will continue to accrue on the alleged tax deficiencies.

In 1996, several developers of non-utility generating facilities filed litigation against various Illinois officials claiming that the enforcement of an amendment to Illinois law removing the facilities' entitlement to state subsidized payments for electricity sold to ComEd after March 15, 1996 violated their rights under Federal and state constitutions, and against ComEd for a declaratory order that their rights under their contracts with ComEd were not affected by the amendment. On August 4, 1999, the Illinois Appellate Court held that the developers' claims against the State were premature, and the Illinois Supreme Court denied leave to appeal that ruling. Developers of both facilities

have since filed amended complaints repeating their allegations that ComEd breached the contracts in question, and requesting damages for such breach, in the amount of the difference between the state-subsidized rate and the amount (such amount being referred to as the avoided cost) ComEd was willing to pay for the electricity. ComEd has contested the assertions by the developers that they are entitled to any payment in excess of avoided cost.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Exelon

The information required by this Item with respect to market information relating to Exelon's common stock is incorporated herein by reference to "Market for Registrant's Common Equity and Related Stockholder Matters" in Exhibit 99-1 to Exelon's Current Report on Form 8-K dated March 16, 2001.

PECO

As of March 1, 2001, there were outstanding 170,478,507 shares of common stock, without par value, of PECO, all of which were held by Exelon.

PECO's Articles of Incorporation prohibit payment of any dividend on, or other distribution to the holders of, common stock if, after giving effect thereto, the capital of PECO represented by its common stock together with its Other Paid-in Capital and Retained Earnings is, in the aggregate, less than the involuntary liquidating value of its then outstanding preferred stock. At December 31, 2000, such capital ($1.6 billion) amounted to about 9 times the liquidating value of the outstanding preferred stock ($174 million).

PECO may not declare dividends on any shares of its capital stock in the event that: (1) PECO exercises its right to extend the interest payment periods on the Subordinated Debentures which were issued to the Partnership; (2) PECO defaults on its guarantee of the payment of distributions on the Series C or Series D Preferred Securities of the Partnership; or (3) an event of default occurs under the Indenture under which the Subordinated Debentures are issued. See Item 1. Business-Related Entities.

ComEd

As of December 31, 2000, there were outstanding 163,805,020 shares of common stock, $12.50 par value, of ComEd, of which 163,796,961 shares were held by Exelon. In addition to Exelon, there were at December 31, 2000 approximately 268 additional holders of ComEd common stock. There is no established market for shares of the common stock of ComEd.

Dividends

Under PUHCA and the Federal Power Act, Exelon, PECO, ComEd and Generation can only pay dividends from retained or current earnings. Similar restrictions also apply to ComEd under the Illinois Public Utilities Act. An SEC order issued under PUHCA granted permission to Exelon and ComEd to pay up to $500 million in dividends out of additional paid-in capital, provided that Exelon agreed not to pay dividends out of paid-in capital after December 31, 2002 if its common equity is less than 30% of its total capitalization. At December 31, 2000, Exelon had retained earnings of $332 million, PECO had retained earnings of $197 million, ComEd had retained earnings of $133 million and Generation had no retained earnings.

The following table sets forth the quarterly cash dividends paid by PECO and ComEd during 2000 and 1999:

	2000				1999			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
PECO	$0.25	$0.25	$0.25	$0.16	$0.25	$0.25	$0.25	$0.25
ComEd	$0.40	$0.40	$0.40	$0.09	$0.40	$0.40	$0.40	$0.40

Exelon did not pay any cash dividends. The Board of Directors of Exelon has announced its intention, subject to approval and declaration by the Board of Directors each quarter, to declare annual dividends on its common stock of $1.69 per share.

ITEM 6. SELECTED FINANCIAL DATA.

Exelon

The information required by this Item is incorporated herein by reference to "Selected Financial Data" in Exhibit 99-1 to Exelon's Current Report on Form 8-K dated March 16, 2001.

PECO

The selected consolidated financial data presented below has been derived from the audited financial statements of PECO. This data is qualified in its entirety by reference to, and should be read in conjunction with PECO's Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included herein.

	For the Years Ended December 31,				
	2000	1999	1998	1997	1996
	(in millions)				
Statement of Income Data:					
Operating Revenues	$ 5,950	$ 5,478	$ 5,325	$ 4,601	$ 4,284
Operating Income	1,222	1,373	1,268	1,006	1,249
Income before Extraordinary Items and Cumulative Effect of a Change in Accounting Principle	487	619	533	337	517
Extraordinary Items (net of income taxes)	(4)	(37)	(20)	(1,834)	--
Cumulative Effect of a Change in Accounting Principle	24	--	--	--	--
Net Income (Loss) on Common Stock	497	570	500	(1,514)	499

	At December 31,				
	2000	1999	1998	1997	1996
	(in millions)				
Balance Sheet Data:					
Current Assets	$ 1,779	$ 1,221	$ 582	$ 1,003	$ 420
Property, Plant and Equipment, net	5,158	5,004	4,804	4,671	10,942
Deferred Debits and Other Assets	7,839	6,862	6,662	6,683	3,899
Total Assets	$ 14,776	$ 13,087	$ 12,048	$ 12,357	$ 15,261
Current Liabilities	$ 2,818	$ 1,286	$ 1,735	$ 1,619	$ 1,103
Long-Term Debt	6,002	5,969	2,920	3,853	3,936
Deferred Credits and Other Liabilities	4,016	3,738	3,756	3,576	4,982
Company-Obligated Mandatorily Redeemable Preferred Securities	128	128	349	352	302
Mandatorily Redeemable Preferred Stock	37	56	93	93	93
Shareholders' Equity	1,775	1,910	3,195	2,864	4,845
Total Liabilities and Shareholders' Equity	$ 14,776	$ 13,087	$ 12,048	$ 12,357	$ 15,261

ComEd

The selected consolidated financial data presented below has been derived from the audited financial statements of ComEd. This data is qualified in its entirety by reference to, and should be read in conjunction with ComEd's Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included herein.

The information for the year ended 2000 is presented for the periods before and after the merger. For additional information, see ITEM 8. - Financial Statements and Supplementary Data - ComEd, Notes 1 and 2 of the Notes to Consolidated Financial Statements.

	Oct. 20 - Dec. 31 2000	Jan. 1 - Oct. 19 2000	For the Years Ended December 31, 1999	1998	1997	1996
			(in millions)			
Statement of Income Data:						
Operating Revenues	$ 1,310	$ 5,702	$ 6,793	$ 7,150	$ 7,076	$ 6,935
Operating Income	338	1,048	1,549	1,387	1,214	1,724
Income (Loss) before Extraordinary Items And Cumulative Effect of a Change in Accounting Principle	133	603	651	594	(160)	743
Extraordinary Item (net of income taxes)	--	(4)	(28)	--	(810)	--
Cumulative Effect of a Change in Accounting Principle	--	--	--	--	196	--
Net Income (Loss) on Common Stock	$ 133	$ 599	$ 623	$ 594	$ (774)	$ 743

	At December 31,				
	2000	1999	1998	1997	1996
	(in millions)				
Balance Sheet Data:					
Current Assets	$ 2,410	$ 4,045	$ 4,974	$ 1,745	$ 1,398
Property, Plant and Equipment, net	7,657	11,993	13,300	16,622	17,395
Deferred Debits and Other Assets	10,214	6,538	6,583	3,397	3,756
Total Assets	$20,281	$22,576	$24,857	$21,764	$22,549
Current Liabilities	$ 1,806	$ 3,427	$ 3,309	$ 2,223	$ 1,921
Long-Term Debt	6,882	6,962	7,677	5,563	5,958
Deferred Credits and Other Liabilities	5,082	6,456	7,770	8,050	7,671
Mandatorily Redeemable Preference Stock	--	69	171	205	249
Company Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts Holding the Company's Subordinated Debt Securities	328	350	350	350	200
Shareholders' Equity	6,183	5,312	5,580	5,373	6,550
Total Liabilities and Shareholders' Equity	$20,281	$22,576	$24,857	$21,764	$22,549

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Exelon

The information required by this Item is incorporated herein by reference to "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Exhibit 99-2 to Exelon's Current Report on Form 8-K dated March 16, 2001.

General

On October 20, 2000, PECO became a wholly owned subsidiary of Exelon as a result of the transactions relating to the merger of PECO and Unicom.

During January 2001, Exelon undertook a restructuring to separate its generation and other competitive businesses from its regulated energy delivery business. As part of the restructuring, the non-regulated operations and related assets and liabilities of PECO, representing the Generation and Enterprises business segments were transferred to separate subsidiaries of Exelon. As a result, beginning January 2001, the operations of PECO consist of its retail electricity distribution and transmission business in southeastern Pennsylvania and itsnatural gas distribution business located in the Pennsylvania counties surrounding the City of Philadelphia.

As a result of retail competition in Pennsylvania, all of PECO's retail electric customers have the right to choose their generation suppliers. In addition to retail competition for generation services, PECO's 1998 settlement of its restructuring case mandated by the Competition Act requires PECO to provide generation services to customers who do not or cannot choose an alternate generation supplier through December 31, 2010 and established caps on generation and distribution rates. The settlement also authorized PECO to recover $5.3 billion of stranded costs and to securitize up a portion of its stranded cost recovery. For additional information, see Item 1. Business and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation - Exelon.

Significant Operating Trends

Percentage of Total Operating Revenues				Percentage Dollar Changes	
2000	1999	1998		2000 vs.1999	1999 vs.1998
100%	100%	100%	Operating Revenues	9%	3%
36%	39%	34%	Fuel and Purchased Power	(1)%	19%
30%	27%	23%	Operating and Maintenance	23%	21%
4%	--	--	Merger-Related Costs	N.M.	N.M.
--	--	2%	Early Retirement and Separation Program	N.M.	N.M.
5%	4%	12%	Depreciation and Amortization	37%	(63)%
4%	5%	5%	Taxes Other Than Income	(10)%	(6)%
79%	75%	76%	Total Operating Expenses	15%	1%
21%	25%	24%	Operating Income	(11)%	8%

N.M. - not meaningful

Results of Operations

Year Ended December 31, 2000 Compared To Year Ended December 31, 1999

Net Income

Net income increased $48 million, or 8% in 2000, before giving effect to extraordinary items, the cumulative effect of a change in accounting principle and non-recurring items. Net income, inclusive of a $4 million extraordinary charge, a $24 million benefit for the cumulative effect of a change in accounting principle and non-recurring items relating to merger-related costs of $159 million and a writedown of a communications investment of $21 million, decreased $75 million, or 13% in 2000.

Energy Delivery's results improved because of favorable rate adjustments partially offset by lower margins due to the unplanned return of certain commercial and industrial customers, milder weather, increased depreciation and amortization expense and higher interest expense. Generation's results improved as a result of higher margins on wholesale and unregulated retail energy sales. Enterprises' results were adversely impacted by lower margins on its infrastructure services businesses, increased amortization of goodwill and costs to integrate the businesses acquired in 1999 and 2000.

Operating Revenue

	2000	1999	$ Variance	% Variance
	(in millions, except percentage data)			
Energy Delivery	$3,373	$3,265	$ 108	3.3%
Generation	1,931	2,097	(166)	(7.9)%
Enterprises	646	116	530	456.9%
	$5,950	$5,478	$ 472	8.6%

Energy Delivery

The increase in Energy Delivery's operating revenue was attributable to higher electric revenue of $32 million and additional gas revenue of $76 million. The increase in electric revenue reflects $102 million from customers in Pennsylvania selecting PECO as their electric generation supplier and rate adjustments in Pennsylvania, partially offset by a decrease of $69 million as a result of lower summer volume. Regulated gas revenue reflected increases of $44 million related to higher prices, $29 million attributable to increased volume from new and existing customers and $24 million from increased winter volume. These increases were partially offset by $21 million of lower gross receipts tax collections as a result of the repeal of the gross receipts tax on gas sales in connection with gas restructuring in Pennsylvania.

Generation

The decrease in Generation's operating revenue was a result of lower electric revenue of $180 million partially offset by higher gas revenue of $14 million. The decrease in electric revenue was principally attributable to lower sales of competitive retail electric generation services of $132 million, of which $196 million represented decreased volume that was partially offset by $64 million from higher prices. In addition, the termination of the management agreement for Clinton resulted in lower revenues of $99 million. As a result of the acquisition by AmerGen of Clinton in December 1999, the management agreement was terminated and, accordingly, the operations have been included in Equity in Earnings (Losses) of Unconsolidated Affiliates on PECO's Consolidated Statements of Income since that date. These decreases were partially offset by an increase of $50 million from higher wholesale revenue attributable to $199 million associated with higher prices partially offset by $149 million related to lower volume. Unregulated gas revenue increased primarily as a result of $11 million from wholesale sales of excess natural gas.

Enterprises

The increase in Enterprises' operating revenue was attributable to $530 million from the acquisition of thirteen infrastructure services companies during 2000 and 1999.

Fuel and Purchased Power Expense

	2000	1999	$ Variance	% Variance
	(in millions, except percentage data)			
Energy Delivery	$ 462	$ 370	$ 92	24.9%
Generation	1,665	1,782	(117)	(6.6)%
	$ 2,127	$ 2,152	$ (25)	(1.2)%

Energy Delivery

Energy Delivery's increase in fuel and purchased power expense was primarily attributable to $73 million from additional volume and increased prices related to gas, $13 million as a result of favorable weather conditions and $4 million in additional PJM ancillary charges.

Generation

Generation's decrease in fuel and purchased power expense was primarily attributable to $262 million principally related to reduced sales of competitive retail electric generation services partially offset by an increase of $120 million in the cost to supply Energy Delivery and an increase of $5 million from wholesale operations principally related to $97 million as a result of increased prices partially offset by $92 million as a result of decreased volume.

Operating and Maintenance Expense

	2000	1999	$ Variance	% Variance
	(in millions, except percentage data)			
Energy Delivery	$ 491	$ 434	$ 57	13.1%
Generation	616	721	(105)	(14.6)%
Enterprises	650	136	514	377.9%
Corporate	34	163	(129)	(79.1)%
	$1,791	$1,454	$ 337	23.2%

Energy Delivery

Energy Delivery's increase in Operating and Maintenance (O&M) expense was primarily attributable to the direct charging to the business segments of O&M expenses that were previously reported at PECO Corporate.

Generation

Generation's decrease in O&M expense was primarily attributable to O&M expenses related to the management agreement for Clinton of $70 million in 1999 which has since been terminated, $15 million related to the abandonment of two information systems implementations in 1999, $17 million related to lower administrative and general expenses related to the unregulated retail sales of electricity and $15 million related to lower joint-owner expenses.

Enterprises

Enterprises' O&M expense increased $505 million from the infrastructure services business as a result of acquisitions.

Corporate

PECO Corporate's decrease in O&M expense was primarily attributable to expenses of $56 million related to lower Year 2000 remediation expenditures, lower pension and postretirement benefits expense of $31 million and the direct charging to business segments of O&M expenses that were previously recorded at Corporate.

Merger-Related Costs

Merger-related costs charged to income in 2000 were $248 million consisting of $132 million of direct incremental costs and $116 million for employee costs. Direct incremental costs represent expenses associated with completing the merger, including professional fees, regulatory approval and settlement costs, and settlement of compensation arrangements. Employee costs represent estimated severance payments and pension and postretirement benefits provided under Exelon's Merger Separation Plan (MSP) for 642 eligible PECO employees who are expected to be involuntarily terminated before October 2002 upon completion of integration activities for the merged companies.

Depreciation and Amortization Expense

Depreciation and amortization expense increased $88 million, or 37%, to $325 million in 2000. The increase was primarily attributable to $57 million of amortization of PECO's CTC which commenced in 2000 and $29 million related to depreciation and amortization expense associated with the infrastructure services business acquisitions.

Taxes Other Than Income

Taxes other than income decreased $25 million, or 10%, to $237 million in 2000. The decrease was primarily attributable to lower real estate taxes of $18 million relating to a change in tax laws for utility property in Pennsylvania and $11 million as a result of the elimination of the gross receipts tax on natural gas sales net of an increase in gross receipts tax on electric sales. This decrease was partially offset by a non-recurring $22 million capital stock tax credit related to a 1999 adjustment associated with the impact of PECO's 1997 restructuring charge.

Interest Charges

Interest charges consist of interest expense and distributions on Company-Obligated Mandatorily Redeemable Preferred Securities of a Partnership (COMRPS) . Interest charges increased $48 million, or 12%, to $465 million in 2000. The increase was primarily attributable to interest on the Transition Bonds issued to securitize PECO's stranded cost recovery of $104 million, partially offset by the reduction of PECO's long-term debt with the proceeds from Transition Bonds, which reduced interest charges by $77 million.

Equity in Earnings (Losses) of Unconsolidated Affiliates

Equity in earnings (losses) of unconsolidated affiliates decreased $3 million, or 8%, to losses of $41 million in 2000 as compared to losses of $38 million in 1999. The decrease was primarily attributable to $8 million of additional losses from communications joint ventures, partially offset by $4 million of earnings from AmerGen as a result of the acquisitions of Clinton and TMI in December 1999 and Oyster Creek in September 2000.

Other Income and Deductions

Other income and deductions excluding interest charges and equity in earnings (losses) of unconsolidated affiliates decreased $18 million, or 31%, to $41 million in 2000 as compared to $59 million in 1999. The decrease in other income and deductions was primarily attributable to the writedown of a communications investment of $33 million, a $10 million gain on the disposal of assets in 1999 and a decrease in interest income of $2 million. These decreases were partially offset by a $15 million write-off in 1999 of the investment in a cogeneration facility in connection with the settlement of litigation and gains on sales of investments of $13 million.

Income Taxes

The effective tax rate was 35.7% in 2000 as compared to 36.6% in 1999.

Extraordinary Items

In 2000, PECO incurred extraordinary charges aggregating $6 million ($4 million, net of tax) related to prepayment premiums and the write-off of unamortized deferred financing costs associated with the early retirement of debt with a portion of the proceeds from the securitization of PECO's stranded cost recovery in May 2000.

In 1999, PECO incurred extraordinary charges aggregating $62 million ($37 million, net of tax) related to prepayment premiums and the write-off of unamortized debt costs associated with the repayment and refinancing of debt.

Cumulative Effect of a Change in Accounting Principle

In 2000, PECO recorded a benefit of $40 million ($24 million, net of tax) representing the cumulative effect of a change in accounting method for nuclear outage costs in conjunction with the synchronization of accounting policies in connection with the merger.

Preferred Stock Dividends

Preferred stock dividends decreased $2 million, or 17%, to $10 million as compared 1999. The decrease was attributable to the redemption of $37 million of Mandatorily Redeemable Preferred Stock in August 1999 with a portion of the proceeds from the issuance of Transition Bonds. In addition, PECO redeemed $19 million of Mandatorily Redeemable Preferred Stock in August 2000.

Year Ended December 31, 1999 Compared To Year Ended December 31, 1998

Net Income

Net income increased $69 million, or 13%, to $582 million in 1999. The increase in net income was primarily attributable to lower depreciation and amortization expense as a result of the full amortization in 1998 of a regulatory asset and the absence of charges associated with 1998's Early Retirement and Separation Program. These increases were partially offset by lower margins as a result of higher fuel prices, an increase in O&M expense associated with infrastructure service's business acquisitions during 1999 and increased interest expense related to the securitization of PECO's stranded costs.

Operating Revenues

	1999	1998	$ Variance	% Variance
	(in millions, except percentage data)			
Energy Delivery	$3,265	$3,799	$ (534)	(14.1)%
Generation	2,097	1,513	584	38.6%
Enterprises	116	13	103	792.3%
	$5,478	$5,325	$ 153	2.9%

Energy Delivery

The decrease in Energy Delivery's operating revenues was primarily attributable to lower volume associated with the effects of retail competition of $508 million and $278 million related to the 8% across-the-board rate reduction mandated by the settlement of PECO's restructuring case. These decreases were partially offset by $149 million of PJM network transmission service revenue and $59 million related to higher volume as a result of favorable weather conditions as compared to 1998. PJM network transmission service revenues and charges which commenced April 1, 1998 were recorded in Generation in 1998 but were recognized by Energy Delivery in 1999 as a result of FERC approval of the PJM regional transmission owners' rate case settlements. Stranded cost recovery was included in PECO's retail electric rates beginning January 1, 1999. In addition, gas revenues increased $50 million primarily attributable to increased volume as a result of favorable weather conditions of $27 million and from new and existing customers of $20 million.

Generation

The increase in Generation's operating revenues was primarily attributable to $473 million from increased volume in Pennsylvania as a result of the sale of competitive retail electric generation services, increased wholesale revenues of $133 million from the marketing of excess generation capacity as a result of retail competition and revenues of $99 million from the sale of generation from Clinton to Illinois Power (IP), partially offset by the inclusion of $116 million of PJM network transmission service revenue in 1998.

Under the amended management agreement with IP, PECO was responsible for the payment of all direct O&M costs and direct capital costs incurred by IP and allocable to the operation of Clinton. These costs are reflected in O&M expenses. IP was responsible for fuel and indirect costs such as pension benefits, payroll taxes and property taxes. Following the restart of Clinton on June 2, 1999, and through December 15, 1999, PECO sold 80% of the output of Clinton to IP. The remaining output was sold by PECO in the wholesale market. Under a separate agreement with PECO, British Energy agreed to share 50% of the costs and revenues associated with the management agreement. Effective December 15, 1999, AmerGen acquired Clinton. Accordingly, the results of operations of Clinton have been accounted for under the equity method of accounting in PECO's Consolidated Statements of Income since the acquisition date.

Enterprises

The increase in Enterprises' operating revenue was attributable to the effects of the infrastructure services company acquisitions made in 1999.

Fuel and Purchased Power Expense

	1999	1998	$ Variance	% Variance
	(in millions, except percentage data)			
Energy Delivery	$ 370	$ 191	$ 179	93.7%
Generation	1,782	1,620	162	10.0%
	$2,152	$1,811	$ 341	18.8%

Energy Delivery

Energy Delivery's increase in fuel and purchased power expense was attributable to $98 million of PJM network transmission service charges, $51 million of purchases in the spot market and $30 million of additional volume as a result of weather conditions.

Generation

Generation's increase in fuel and purchased power expense was primarily attributable to $565 million related to increased volume from the sale of competitive electric generation services and a $36 million reserve related to a power supply contract in Massachusetts as a result of higher than anticipated cost of supply in the New England power pool. These increases were partially offset by $277 million of fuel savings from wholesale operations as a result of lower volume and efficient operation of generating assets, the inclusion of PJM network transmission service charges of $116 million in 1998, and the reversal of $27 million in reserves associated with a cogeneration facility in connection with the final settlement of litigation and expected prices of electricity over the remaining life of the power purchase agreements for the facility. In addition, the full return to service of Salem in April 1998 resulted in $19 million of fuel savings associated with a reduction in purchased power costs.

Operating and Maintenance Expense

	1999	1998	$ Variance	% Variance
	(in millions, except percentage data)			
Energy Delivery	$ 434	$ 431	$ 3	0.7%
Generation	721	543	178	32.8%
Enterprises	136	38	98	257.9%
Corporate	163	186	(23)	(12.4)%
	$1,454	$1,198	$ 256	21.4%

Energy Delivery

Energy Delivery's O&M expenses included $11 million of additional expenses related to restoration activities as a result of Hurricane Floyd in 1999 which were offset by lower electric transmission and distribution expenses.

Generation

Generation's increase in O&M expense was primarily a result of $70 million related to Clinton operations in connection with the management agreement, $24 million related to the growth of Exelon Energy, $15 million of charges related to the abandonment of two information systems implementations, $10 million associated with the Salem inventory write-off for excess and obsolete inventory, and $7 million related to the true-up of 1998 reimbursement of joint-owner expenses. These decreases were partially offset by $10 million of lower O&M expenses as a result of the full return to service of Salem in April 1998.

Enterprises

Enterprises' increase in O&M expense was related to the infrastructure services business acquisitions made in 1999.

Corporate

PECO Corporate costs decreased $17 million primarily as a result of lower pension and postretirement benefits expense attributable to the performance of the investments in PECO's pension plan.

Depreciation and Amortization Expense

Depreciation and amortization expense decreased $406 million, or 63%, to $237 million in 1999. The decrease in depreciation and amortization expense was associated with the December 1997 restructuring charge through which PECO wrote down a significant portion of its generating plant and regulatory assets. In connection with this restructuring charge, PECO reduced generation-related assets by $8.4 billion, established a regulatory asset, Deferred Generation Costs Recoverable in Current Rates of $424 million, which was fully amortized in 1998, and established an additional regulatory asset, CTC, of $5.3 billion. CTC is being amortized over an eleven-year period ending December 31, 2010.

Taxes Other Than Income

Taxes other than income decreased $18 million, or 6%, to $262 million in 1999. The decrease in taxes other than income was primarily attributable to a $34 million credit related to an adjustment of PECO's Pennsylvania capital stock tax base as a result of the 1997 restructuring charge, partially offset by an increase of $17 million in real estate taxes as a result of changes in tax laws for utility property in Pennsylvania.

Interest Charges

Interest charges increased $55 million, or 15%, to $417 million in 1999. The increase in interest charges was primarily attributable to interest on the Transition Bonds issued to securitize PECO's stranded cost recovery of $179 million, partially offset by a $99 million reduction in interest charges resulting from the use of securitization proceeds to retire long-term debt and redeem COMRPS. In addition, PECO's ongoing program to reduce or refinance higher cost, long-term debt reduced interest charges by $26 million.

Equity in Earnings (Losses) of Unconsolidated Affiliates

Equity in earnings (losses) of unconsolidated affiliates increased $16 million or 30%, to losses of $38 million in 1999 as compared to losses of $54 million in 1998. The lower losses were primarily attributable to customer base growth for communications joint ventures.

Other Income and Deductions

Other income and deductions, excluding interest charges and equity in earnings (losses) of unconsolidated affiliates, increased $58 million, to income of $59 million in 1999 as compared to income of $1 million in 1998. The increase in other income and deductions was primarily attributable to $28 million of interest income earned on the unused portion of stranded cost recovery prior to application, $14 million of gain on the sale of assets, a $10 million donation to a City of Philadelphia street lighting project in 1998 and a $7 million write-off of a non-regulated business venture in 1998. These increases were partially offset by a $15 million write-off of an investment in connection with the settlement of litigation.

Income Taxes

The effective tax rate was 36.6% in 1999 as compared to 37.5% in 1998. The decrease in the effective tax rate was primarily attributable to an income tax benefit of approximately $11 million related to the favorable resolution of certain outstanding issues in connection with the settlement of an Internal Revenue Service audit and tax benefits associated with the implementation of state tax planning strategies, partially offset by the non-recognition for state income tax purposes of certain operating losses.

Extraordinary Items

In 1999, PECO incurred extraordinary charges aggregating $62 million ($37 million, net of tax) related to prepayment premiums and the write-off of unamortized debt costs associated with the repayment and refinancing of debt.

In 1998, PECO incurred extraordinary charges aggregating $34 million ($20 million, net of tax) related to prepayment premiums and the write-off of unamortized debt costs associated with the repayment of debt.

Preferred Stock Dividends

Preferred stock dividends decreased $1 million or 8%, to $12 million in 1999. The decrease was attributable to the redemption of $37 million of Mandatorily Redeemable Preferred Stock in August 1999 with a portion of the proceeds from the issuance of Transition Bonds.

Liquidity and Capital Resources

Cash flows from operations were $756 million in 2000 as compared to $895 million in 1999 and $1,499 million in 1998. The decrease in 2000 was principally attributable to changes in working capital of $343 million partially offset by an increase in cash generated by operations of $204 million.

Cash flows used in investing activities were $894 million in 2000 as compared to $886 million in 1999 and $521 million in 1998. The increase in 2000 was primarily attributable to increased capital expenditures of $58 million, additional other investing activities of $45 million and additional infrastructure service business acquisitions of $23 million, partially offset by $118 million of investments in and advances to joint ventures that occurred in 1999.

Cash flows provided by financing activities were $213 million and $171 million in 2000 and 1999, respectively and cash flows used by financing activities of $963 million in 1998. Cash flows from financing activities were 2000 primarily reflect PECO's additional securitization of stranded cost recovery and the use of related proceeds.

PECO's capital resources are primarily provided by internally generated cash flows from utility operations and, to the extent necessary, external financing. In connection with its request to securitize an additional $1 billion of its

stranded cost recovery, PECO agreed to provide its customers with additional rate reductions of $60 million in 2001. Under the settlement agreement entered into by PECO relating to the PUC's approval of the merger, PECO agreed to $200 million in aggregate rate reductions for all customers over the period January 1, 2002 through 2005 and extended the cap on PECO's transmission and distribution rates through December 31, 2006. These rate reductions will be more than offset by the discontinuance of the 6% across-the-board rate reduction in effect in 2000.

Capital resources are used primarily to fund PECO's capital requirements, including construction, repayments of maturing debt and preferred securities and payment of common and preferred stock dividends. PECO's estimated capital expenditures in 2001 are approximately $260 million. PECO's proposed capital expenditures are subject to periodic review and revision to reflect changes in economic conditions and other factors.

Under PUHCA and the Federal Power Act, PECO can only pay dividends from retained or current earnings. At December 31, 2000, PECO had retained earnings of $197 million.

On May 2, 2000, PETT issued an additional $1 billion aggregate principal amount of Transition Bonds to securitize a portion of PECO's authorized stranded cost recovery. As a result, PECO has securitized a total of $5 billion of its $5.26 billion of stranded cost recovery through the issuance by PETT of Transition Bonds. The Transition Bonds are solely obligations of PETT, secured by intangible transition property sold by PECO to PETT concurrently with the issuance of the Transition Bonds and certain other related collateral, but are included in the consolidated long-term debt of PECO. PECO has used the proceeds from the securitizations to reduce PECO's stranded costs and related capitalization. The proceeds of the Transition Bonds issued in May 2000 were used to repurchase 12 million shares of common stock, to retire $422 million principal amount of debt, to repurchase $50 million of accounts receivable and to pay transaction expenses.

As a result of the issuance of the Transition Bonds and the application of the proceeds thereof, at December 31, 2000, PECO's capital structure consisted of 23.9% common equity, 5.8% notes payable, 3.1% preferred stock and COMRPS (which comprised 1.8% of PECO's total capitalization structure), and 67.2% long-term debt including Transition Bonds issued by PETT (which comprised 73.8% of PECO's long-term debt).

PECO meets its short-term liquidity requirements primarily through the issuance of commercial paper and borrowings under bank credit facilities. PECO, along with Exelon and ComEd, entered into a $2 billion unsecured revolving credit facility on December 20, 2000 with a group of banks. PECO has an $800 million sublimit under this 364-day credit facility and expects to use the credit facility principally to support its $800 million commercial paper program. This credit facility requires PECO to maintain a debt to total capitalization ratio of less than 65% or less (excluding Transition Bonds). At December 31, 2000, PECO's debt to total capitalization ratio on that basis was 48%.

At December 31, 2000, PECO had outstanding $163 million of notes payable consisting principally of commercial paper. Also, PECO had a $400 million intercompany payable with ComEd bearing interest at an average annualized interest rate for the period it was outstanding of 6.5%. In addition, PECO had a $696 million note payable with Exelon, incurred in connection with the Sithe acquisition. The note is interest bearing with an average annualized interest rate for the period it was outstanding of 7.6%.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

On October 20, 2000, ComEd became a 99.9% owned subsidiary of Exelon as a result of the transactions relating to the merger of PECO and Unicom. As a result of the merger, ComEd's consolidated financial information for the period after the merger has a different cost basis than that of previous periods. Management has based its discussion and analysis of results of operations for 2000 as compared to 1999 on the combined results of operations for the full year of 2000. Material variances caused by the different cost basis have been disclosed where applicable.

Through December 31, 2000, ComEd operated as one business segment, that of a vertically integrated electric utility. During January 2001, Exelon undertook a restructuring to separate its generation and other competitive businesses from its regulated energy delivery business. As part of the restructuring, the non-regulated operations and related assets and liabilities of ComEd were transferred to separate subsidiaries of Exelon. As a result, beginning January 2001, the operations of ComEd consist of its retail electricity distribution and transmission business in northern Illinois.

Under Illinois legislation, as of December 31, 2000, all non-residential customers were eligible to choose a new electric supplier or elect a power purchase option. The power purchase option allows the purchase of electric energy from ComEd at market-based prices. ComEd's residential customers become eligible to choose a new electric supplier in May 2002. As of December 31, 2000, over 9,500 non-residential customers, representing approximately 27% of ComEd's retail kilowatt-hour sales for the twelve months prior to the introduction of retail competition, elected to receive their electric energy from an alternative electric supplier or chose the power purchase option. For additional information, see ITEM 1. Business - Energy Delivery and ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operation - Exelon.

Significant Operating Trends

Percentage of Total Operating Revenue				Percentage Dollar Changes	
2000	1999	1998		2000 vs.1999	1999 vs.1998
100%	100%	100%	Operating Revenue	3%	(5)%
28%	23%	26%	Fuel and Purchased Power	28%	(16)%
30%	35%	32%	Operating and Maintenance	(12)%	3%
1%	--	--	Merger-Related Costs	N.M.	N.M.
14%	12%	13%	Depreciation and Amortization	19%	(11)%
7%	7%	10%	Taxes Other Than Income	--	(27)%
80%	77%	81%	Total Operating Expenses	7%	(9)%
20%	23%	19%	Operating Income	(11)%	12%

N.M. - not meaningful

Results of Operations

Year Ended December 31, 2000 Compared To Year Ended December 31, 1999

Net Income

Net Income increased $128 million, or 20% in 2000, before giving effect to extraordinary items and non-recurring items. Net income, inclusive of the $4 million and $28 million extraordinary items for 2000 and 1999, respectively, and non-recurring items relating to merger-related costs of $43 million , increased $109 million, or 18% in 2000.

Operating Revenue

Operating revenue was $7,012 million in 2000, an increase of $219 million, or 3% from 1999. The increase in operating revenue was primarily attributable to a $467 million increase in sales for resale, partially offset by a $266 million reduction in sales to retail customers, reflecting, in both cases, the migration of non-residential customers to alternate electric suppliers who purchased a portion of their supply requirements from ComEd and also reflecting increased sales to other utilities due to the increased availability of nuclear generation. The decrease in retail revenues also reflects the further election of the power purchase option by non-residential customers. Kilowatt-hour sales increased 17% over 1999, reflecting an increase in kWh sales for resale of 77% and increased retail kWh sales of 3%.

Fuel and Purchased Power Expense

Fuel and purchased power expense was $1,977 million in 2000, an increase of $428 million, or 28% from 1999. The increase in fuel and purchased power expense was primarily attributable to the effects of the power purchase agreements (PPAs) that ComEd entered into upon the sale of its fleet of fossil stations in December 1999, which resulted in increased purchased power costs, but lower fuel costs.

Operating and Maintenance Expense

	2000	1999	$ Variance	% Variance
	(in millions, except percentage data)			
Generation Stations	$ 738	$1,004	$(266)	(26)%
Transmission and Distribution	458	355	103	29 %
Customer-Related	223	258	(35)	(14)%
Other	657	735	(78)	(11)%
	$2,076	$2,352	$(276)	(12)%

The decrease in operating and maintenance (O&M) expenses related to the generation stations was primarily attributable to a $220 million reduction in expenses as a result of the sale of the fossil generation stations in December 1999 and a $46 million reduction in expenses associated with shorter refueling outages and fewer forced outages at nuclear generation stations.

The increase in O&M expenses associated with the transmission and distribution system was primarily attributable to ComEd's increased efforts to improve the reliability of its transmission and distribution system.

The decrease in O&M expenses associated with customer-related activities was primarily attributable to non-recurring costs incurred in 1999 to address billing and collection problems encountered following the implementation of a new customer information and billing system in July 1998.

The decrease in other O&M expenses was primarily attributable to lower general and administrative costs.

Merger-Related Costs

Merger-related costs charged to expense in 2000 were $67 million consisting of $26 million of direct incremental costs and $41 million for employee costs. Direct incremental costs represent expenses directly associated with completing the merger, including professional fees, regulatory approval and other merger integration costs. Employee costs represent estimated severance payments provided under Exelon's Merger Separation Plan (MSP) for eligible employees whose positions were eliminated before October 20, 2000 due to integration activities of the merged companies.

Depreciation and Amortization Expense

Depreciation and amortization expense increased $162 million, or 19%, to $998 million in 2000. The increase was primarily attributable to a $220 million increase in regulatory asset amortization in accordance with the earnings provisions of the Illinois legislation, goodwill amortization of $23 million associated with the merger, partially offset by an $81 million decrease in depreciation expense reflecting the fossil station sale and the fair value adjustment of ComEd's nuclear stations associated with the application of purchase accounting upon completion of the merger on October 20, 2000.

Taxes Other Than Income

Taxes other than income taxes for 2000 were consistent with 1999.

Interest Charges

Interest charges consist of interest expense and provisions for dividends on Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts. Interest charges for 2000 were essentially unchanged from 1999.

Other Income and Deductions

Other income and deductions, excluding interest charges, was $308 million for 2000, an increase of $248 million from 1999. The increase was primarily attributable to a $166 million increase in interest income on ComEd's notes receivables with affiliates related to the sale of ComEd's fossil stations. The increase also reflects the effects of a $113 million gain on the forward share repurchase that occurred in 2000, compared to a $44 million loss recorded in 1999 on the same agreement.

Income Taxes

The effective income tax rate was 31.1% in 2000 compared to 33.4% in 1999. The decrease in the effective tax rate was primarily attributable to the effects of the gain on the forward share repurchase agreement, compared to the loss that was recorded in 1999 on the same agreement both of which were not recognized for tax purposes. The decrease was partially offset by the investment tax credit amortization recorded in 1999 related to the fossil station sale.

Extraordinary Item

ComEd incurred extraordinary charges aggregating $6 million ($4 million, net of tax) and $46 million ($28 million, net of tax) in 2000 and 1999, respectively, consisting of prepayment premiums and the write-off of unamortized deferred financing costs associated with the early retirement of debt.

Year Ended December 31, 1999 Compared To Year Ended December 31, 1998

Net Income

Net income increased $57 million, or 10% in 1999, before giving effect to the extraordinary item in 1999. Net income, inclusive of the $28 million extraordinary item, increased $29 million, or 5% in 1999.

Operating Revenue

Operating revenue was $6,793 million for 1999, a decrease of $357 million, or 5%, from 1998. The decrease in operating revenue was primarily attributable to the impact of the 15% residential base rate reduction, which took effect on August 1, 1998, of $226 million and $174 million associated with the change in presentation for certain state and municipal taxes from operating revenue and tax expense to collections recorded as liabilities. Kilowatt-hour sales increased 8% in 1999 compared to 1998 primarily due to a 59% increase in sales for resale which reflects increased availability of lower cost nuclear generation.

Fuel and Purchased Power Expense

Fuel and purchased power expense was $1,549 million for 1999, a decrease of $304 million, or 16%, from 1998. The decrease in fuel and purchased power expense was primarily attributable to improved nuclear and fossil operating performance, which reduced the need to purchase power from other parties.

Operating and Maintenance Expense

	1999	1998	$ Variance	% Variance
	(in millions, except percentage data)			
Generation Stations	$1,004	$ 1,121	$(117)	(10)%
Transmission and Distribution	355	278	77	28%
Customer-Related	258	218	40	18%
Other	735	657	78	12%
	$2,352	$2,274	$ 78	3%

The decrease in O&M expenses associated with the generation stations was primarily attributable to a $42 million reduction in plant refurbishment and maintenance costs at the fossil generation stations and a $75 million reduction in expenses due to shorter refueling outages and fewer forced outages at the nuclear generation stations.

The increase in O&M expenses associated with ComEd's transmission and distribution system was primarily attributable to ComEd's system improvement initiatives in response to outages that occurred during the summer of 1999. The increase also reflects service restoration and other outage-related costs associated with the summer of 1999 heat wave.

The increase in O&M expenses associated with customer-related activities was primarily attributable to $35 million of costs incurred in 1999 to address billing and collection problems encountered following the implementation of a new customer information and billing system in July 1998.

The increase in other O&M expenses was primarily attributable to an increase of $68 million in ComEd's estimated environmental liability for the remediation of former manufactured gas plant sites, and a $25 million charge resulting from the settlement of issues associated with the franchise agreement between ComEd and the City of Chicago.

Depreciation and Amortization Expense

Depreciation and amortization expense decreased $102 million, or 11% to $836 million in 1999. The decrease was primarily attributable to the fossil station sale. Consistent with the provisions of Illinois legislation, the pre-tax gain on the fossil station sale of $2,587 million resulted in a regulatory liability, which was used to recover regulatory assets. Therefore, the gain on the sale, net of $43 million of amortization of investment tax credits, was recorded as a regulatory liability in the amount of $2,544 million and amortized in the fourth quarter of 1999. The amortization of the regulatory liability and additional regulatory asset amortization of $2,456 million are reflected in depreciation and amortization expense on ComEd's Consolidated Statements of Income and resulted in a net reduction to depreciation and amortization expense of $88 million.

Taxes Other Than Income

Taxes other than income taxes decreased by $191 million, or 27%, to $507 million in 1999. The decrease was primarily attributable to the change in presentation for certain state and municipal taxes in the amount of $174 million.

Interest Charges

Interest charges increased $100 million, or 19%, to $632 million in 1999. The increase in interest charges was primarily attributable to a full year's effect of the issuance of the transitional trust notes in 1998, partially offset by lower interest charges as a result of the retirement of long-term debt with a portion of the transitional trust note proceeds. For additional information, see ITEM 1. Business - Related Entities.

Other Income and Deductions

Other income and deductions, excluding interest charges, decreased $30 million, or 33%, to $60 million in 1999. The decrease was attributed to a $44 million loss associated with the forward share repurchase agreement in 1999, and a $34 million decrease in gains on the disposal of assets, partially offset by the $45 million increase in interest income from the investment of the $3.4 billion in proceeds from transitional trust notes issued in 1998 prior to application to reduce capitalization.

Income Taxes

The effective tax rate was 33.4% in 1999 compared to 37.1% in 1998. The decrease in the effective tax rate was primarily attibutable to the impact of property basis differences and increased amortization of the investment tax credits resulting from the fossil station sale, partially offset by the unrealized loss on the forward share repurchase agreement, which was not recognized for tax purposes.

Extraordinary Items

ComEd incurred extraordinary charges aggregating $46 million ($28 million, net of tax) in 1999 consisting of prepayment premiums and the write-off of unamortized deferred financing costs associated with the early retirement of debt.

Liquidity and Capital Resources

Cash flows provided by operations were $1,574 million, $1,245 million, and $1,552 million in 2000, 1999, and 1998 respectively. The increase in cash flows in 2000 was primarily attributable to an increase in cash generated from operations and a non-recurring $250 million contribution to an environmental trust in 1999.

Cash flows used in investing activities were $1,603 million in 2000 compared to cash flows provided by investing activities of $1,144 million in 1999 and cash flows used by investing activities of $1,135 million in 1998. The decrease in cash flows in 2000 was primarily attributable to proceeds received in connection with the sale of ComEd's fossil generation stations of $4,886 million in 1999, partially offset by $2,209 million of affiliate notes receivable in 1999.

Cash flows used in financing activities were $1,310 million and $3,939 million in 2000 and 1999, respectively, compared to cash flows provided by financing activities of $2,600 million in 1998. The decrease in cash flows used in financing activities in 2000 compared to 1999 reflects significant retirements of long-term debt, redemptions of preferred securities and common stock forward repurchases in 1999 utilizing the proceeds from the issuance of the transitional trust notes in 1998, partially offset by the issuance of $450 million of long-term debt in 2000.

ComEd's capital resources are primarily provided by internally generated cash flows from operations and, to the extent necessary, external financing. Capital resources are used primarily to fund ComEd's capital requirements, including construction, repayments of maturing debt and preferred securities and the payment of dividends.

For the year ended December 31, 2000, capital expenditures for ComEd were $1,406 million, including expenditures related to its nuclear generation facilities which were transferred to Generation, effective January 1, 2001. ComEd estimates that it will spend approximately $900 million in 2001, principally for intensive efforts to continue to improve the reliability of its transmission and distribution systems. ComEd's proposed capital expenditures are subject to periodic review and revision to reflect changes in economic conditions and other factors. ComEd anticipates that it will obtain external financing, when necessary, through borrowings or issuance of preferred securities or capital contributions from Exelon.

Under PUHCA and the Federal Power Act, ComEd can only pay dividends from retained or current earnings. However, the SEC has authorized ComEd to pay up to $500 million in dividends out of additional paid-in capital, provided ComEd may not pay dividends out of paid-in capital after December 31, 2002 if its common equity is less than 30% of its total capitalization (including transitional trust notes). At December 31, 2000, ComEd had retained earnings of $133 million.

At December 31, 2000, ComEd's capital structure consisted of 53% of long-term debt, 45% of common stock, and 2% of preferred securities of subsidiaries. Long-term debt includes $2,720 million of transitional trust notes constituting obligations of certain consolidated special purpose entities representing 20% of capitalization.

ComEd meets its short-term liquidity requirements primarily through the issuance of commercial paper and borrowings under bank credit facilities. ComEd, along with Exelon and PECO, entered into a $2 billion unsecured revolving credit facility with a group of banks. ComEd has a $200 million sublimit under this 364-day credit facility and expects to use the credit facility principally to support its $200 million commercial paper program. This credit facility requires ComEd to maintain a debt to total capitalization ratio of 65% or less (excluding transitional trust notes). At December 31, 2000, ComEd's debt to total capitalization ratio on that basis was 43%.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Exelon

The information required by this Item is incorporated herein by reference to the information appearing under the subheading "Quantitative and Qualitative Disclosures About Market Risk" under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Exhibit 99-2 to Exelon's Current Report on Form 8-K dated March 16, 2001.

PECO

PECO is exposed to market risks associated with commodity price, credit and interest rates.

Commodity Price Risk

As part of Exelon's corporate restructuring, PECO entered into a power purchase agreement with Generation to meet its retail customer obligations for generation services at prices consistent with prices amounts collected through customer rates. As a result, PECO's exposure to commodity price risk is not material.

Credit Risk

PECO is obligated to provide service to all customers within its franchised territory and, as a result, has a broad customer base. For the year ended December 31, 2000, PECO's ten largest customers represented approximately 10% of its retail electric revenues. PECO manages credit risk using credit and collection policies which are regulated by the PUC.

Interest Rate Risk

PECO uses a combination of fixed rate and variable rate debt to reduce interest rate exposure. Interest rate swaps may be used to adjust exposure when deemed appropriate, based upon market conditions. These strategies are employed to maintain the lowest cost of capital. As of December 31, 2000, a hypothetical 10% increase in the interest rates associated with variable rate debt would result in an $2 million decrease in pre-tax earnings for 2001.

PECO has entered into interest rate swaps to manage interest rate exposure associated with two classes of floating rate Transition Bonds issued to securitize stranded cost recovery. At December 31, 2000, these interest rate swaps had a fair market value of $21 million based on the present value difference between the contract and market rates at December 31, 2000.

The aggregate fair value of the Transition Bond derivative instruments that would have resulted from a hypothetical 50 basis point decrease in the spot yield at December 31, 2000 is estimated to be $17 million. If the derivative instruments had been terminated at December 31, 2000, this estimated fair value represents the amount to be paid by PECO to the counterparties.

The aggregate fair value of the Transition Bond derivative instruments that would have resulted from a hypothetical 50 basis point increase in the spot yield at December 31, 2000 is estimated to be $59 million. If the derivative instruments had been terminated at December 31, 2000, this estimated fair value represents the amount to be paid by the counterparties to PECO.

In February 2000, PECO entered into forward starting interest rate swaps for a notional amount of $1 billion in anticipation of the issuance of $1 billion of Transition Bonds in the second quarter of 2000. In May 2000, PECO settled these forward starting interest rate swaps and paid the counterparties $13 million which was deferred and is being amortized over the life of the Transition Bonds as an increase in interest expense.

ComEd

ComEd is exposed to market risks associated with commodity prices, credit and interest rates.

Commodity Price Risk

As part of Exelon's corporate restructuring, ComEd has entered into a power purchase agreement with Generation to meet its retail customer obligations at fixed prices. ComEd's principal exposure to commodity price risk is in relation to revenues collected from customers who elect the power purchase option at market-based prices, and CTC revenues which are calculated to provide the customer with a credit for the market price for electricity. ComEd has performed a sensitivity analysis to determine the net impact of a 10% decrease in the average around-the-clock market price of electricity. Because the decrease in revenues from customers electing the power purchase option is significantly offset by increased CTC revenues, ComEd does not believe that its exposure to such a market price decrease would be material.

Credit Risk

ComEd is obligated to provide service to all customers within its franchised territories and, as a result, has a broad customer base. For the year ended December 31, 2000, ComEd's ten largest customers represented approximately 3% of its retail electric revenues. ComEd manages credit risk using credit and collection policies which are regulated by the ICC.

Interest Rate Risk

ComEd uses a combination of fixed rate and variable rate debt to reduce interest rate exposure. As of December 31, 2000, a hypothetical 10% increase in the interest rates associated with variable rate debt would result in a decrease in pre-tax earnings for 2001 of less than $1 million.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Exelon

The information required by this Item is incorporated herein by reference to the Consolidated Statements of Income for the years 2000, 1999 and 1998; Consolidated Statements of Cash Flows for the years 2000, 1999 and 1998; Consolidated Balance Sheets as of December 31, 2000 and 1999; Consolidated Statements of Changes in Shareholders' Equity and Comprehensive Income for the years 2000, 1999 and 1998; and Notes to Consolidated Financial Statements appearing in Exhibit 99-3 to Exelon's Current Report on Form 8-K dated March 16, 2001.

Report of Independent Accountants

To the Board of Directors and Shareholders
of PECO Energy Company:

In our opinion, the consolidated financial statements listed in the index appearing under Item 14(a)(2)(i) present fairly, in all material respects, the financial position of PECO Energy Company and Subsidiary Companies (PECO) at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 14(a)(2)(ii) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of PECO's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 4 to the consolidated financial statements, PECO changed its method of accounting for nuclear outage costs in 2000.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
January 30, 2001, except for Note 22 PETT Refinancing,
for which the date is March 1, 2001

PECO Energy Company and Subsidiary Companies
Consolidated Statements of Income

	For the Years Ended December 31, 2000	1999	1998
		(In Millions)	
Operating Revenues	$ 5,950	$ 5,478	$ 5,325
Operating Expenses			
Fuel and Purchased Power	2,127	2,152	1,811
Operating and Maintenance	1,791	1,454	1,198
Merger-Related Costs	248	--	--
Early Retirement and Separation Program	--	--	125
Depreciation and Amortization	325	237	643
Taxes Other Than Income	237	262	280
Total Operating Expenses	4,728	4,105	4,057
Operating Income	1,222	1,373	1,268
Other Income and Deductions			
Interest Expense	(457)	(396)	(331)
Company-Obligated Mandatorily Redeemable Preferred Securities of a Partnership, which holds Solely Subordinated Debentures of the Company	(8)	(21)	(31)
Equity in Earnings (Losses) of Unconsolidated Affiliates	(41)	(38)	(54)
Other, Net	41	59	1
Total Other Income and Deductions	(465)	(396)	(415)
Income Before Income Taxes, Extraordinary Items and Cumulative Effect of a Change in Accounting Principle	757	977	853
Income Taxes	270	358	320
Income Before Extraordinary Items and Cumulative Effect Of a Change in Accounting Principle	487	619	533
Extraordinary Items (net of income taxes of $2, $25, and $14 for 2000, 1999, and 1998, respectively)	(4)	(37)	(20)
Cumulative Effect of a Change in Accounting Principle (net of income taxes of $16)	24	--	--
Net Income	507	582	513
Preferred Stock Dividends	10	12	13
Net Income on Common Stock	$ 497	$ 570	$ 500

See Notes to Consolidated Financial Statements

PECO Energy Company and Subsidiary Companies
Consolidated Statements of Cash Flows

(In Millions)	For the Years Ended December 31, 2000	1999	1998
Cash Flows from Operating Activities			
Net Income	$ 507	$ 582	$ 513
Adjustments to reconcile Net Income to Net Cash Flows provided by Operating Activities:			
Depreciation and Amortization	437	358	765
Extraordinary Items (net of income taxes)	4	37	20
Cumulative Effect of a Change in Accounting Principle (net of income taxes)	(24)	--	--
Provision for Uncollectible Accounts	68	59	72
Deferred Income Taxes	118	7	(115)
Merger-Related Costs	248	--	--
Early Retirement and Separation Program	--	--	125
Deferred Energy Costs	(79)	23	6
Equity in (Earnings) Losses of Unconsolidated Affiliates	41	38	54
Other Operating Activities	(6)	6	(22)
Changes in Working Capital:			
Accounts Receivable	(264)	(159)	3
Repurchase of Accounts Receivable	(50)	(150)	--
Inventories	(45)	(43)	14
Accounts Payable, Accrued Expenses & Other Current Liabilities	(170)	149	63
Other Current Assets	(29)	(12)	1
Net Cash Flows provided by Operating Activities	756	895	1,499
Cash Flows from Investing Activities			
Investment in Plant	(549)	(491)	(415)
Exelon Infrastructure Services Acquisitions	(245)	(222)	--
Investments in and Advances to Joint Ventures	--	(118)	(59)
Contributions to Nuclear Decommissioning Trust Funds	(26)	(26)	(21)
Other Investing Activities	(74)	(29)	(26)
Net Cash Flows used in Investing Activities	(894)	(886)	(521)
Cash Flows from Financing Activities			
Issuance of Long-Term Debt, net of issuance costs	1,021	4,170	13
Common Stock Repurchases	(496)	(1,705)	--
Retirement of Long-Term Debt	(557)	(1,343)	(842)
Change in Intercompany Payable - Affiliates	400	--	--
Change in Notes Payable -- Bank	--	(388)	124
Redemption of COMRPS	--	(221)	(81)
Issuance of COMRPS	--	--	78
Redemptions of Mandatorily Redeemable Preferred Stock	(19)	(37)	--
Dividends on Preferred and Common Stock	(167)	(208)	(236)
Capital Lease Payments	--	(139)	(60)
Other Financing Activities	31	42	41
Net Cash Flows provided by (used in) Financing Activities	213	171	(963)
Increase in Cash and Cash Equivalents	75	180	15
Cash and Cash Equivalents at beginning of period	228	48	33
Cash and Cash Equivalents at end of period	$ 303	$ 228	$ 48

See Notes to Consolidated Financial Statements

PECO Energy Company and Subsidiary Companies
Consolidated Balance Sheets

	At December 31, 2000	1999
	(In Millions)	
Assets		
Current Assets		
Cash and Cash Equivalents	$ 303	$ 228
Accounts Receivable, net		
Customer	774	344
Other	250	360
Inventories, at average cost		
Fossil Fuel	135	113
Materials and Supplies	122	93
Other	195	83
Total Current Assets	1,779	1,221
Property, Plant and Equipment, net	5,158	5,004
Deferred Debits and Other Assets		
Regulatory Assets	6,026	6,072
Nuclear Decommissioning Trust Funds	440	408
Investments	847	130
Goodwill, net	326	121
Other	200	131
Total Deferred Debits and Other Assets	7,839	6,862
Total Assets	$ 14,776	$ 13,087
Liabilities and Shareholders' Equity		
Current Liabilities		
Notes Payable - Bank	$ 163	$ 163
Intercompany Payable - Affiliates	1,096	--
Long-Term Debt Due Within One Year	553	128
Accounts Payable	403	270
Accrued Expenses	481	616
Deferred Income Taxes	27	14
Other	95	95
Total Current Liabilities	2,818	1,286
Long-Term Debt	6,002	5,969
Deferred Credits and Other Liabilities		
Deferred Income Taxes	2,532	2,411
Unamortized Investment Tax Credits	271	286
Pension Obligations	281	213
Non-Pension Postretirement Benefits Obligation	505	443
Other	427	385
Total Deferred Credits and Other Liabilities	4,016	3,738
Company-Obligated Mandatorily Redeemable Preferred Securities of a Partnership, which holds Solely Subordinated Debentures of the Company	128	128
Mandatorily Redeemable Preferred Stock	37	56
Commitments and Contingencies		
Shareholders' Equity		
Common Stock	1,449	3,577
Preferred Stock	137	137
Deferred Compensation	(7)	(3)
Retained Earnings (Accumulated Deficit)	197	(100)
Treasury Stock, at cost	--	(1,705)
Accumulated Other Comprehensive Income	(1)	4
Total Shareholders' Equity	1,775	1,910
Total Liabilities and Shareholders' Equity	$ 14,776	$ 13,087

See Notes to Consolidated Financial Statements

PECO Energy Company and Subsidiary Companies
Consolidated Statements of Changes in Shareholders' Equity and Comprehensive Income

Year Ended December 31,	2000		1999		1998	
	Shares	Amount	Shares	Amount	Shares	Amount
	(dollars in millions and shares in thousands)					
Common Stock						
Balance at Beginning of Year	225,354	$3,577	224,684	$3,558	222,547	$3,507
Capital Stock Activity:						
Cancellation of Treasury Shares	(54,875)	(2,175)		--		--
Long Term Incentive Plan Issuances		47	670	19	2,137	51
Balance at End of Year	170,479	$1,449	225,354	$3,577	224,684	$3,558
Preferred Stock without Mandatory Redemption						
Balance at Beginning and End of Year	1,375	$137	1,375	$137	1,375	$137
Deferred Compensation						
Balance at Beginning of Year		$(3)		$--		$--
Amortization		5		2		--
Long Term Incentive Plan Issuances		(9)		(5)		--
Balance at End of Year		$(7)		$(3)		$--
Retained Earnings (Accumulated Deficit)						
Balance at Beginning of Year		$(100)		$(501)		$(781)
Net Income		507		582		513
Dividends:						
Common Stock		(157)		(196)		(223)
Preferred Stock		(10)		(12)		(13)
Unicom Merger Consideration		(45)				
Capital Stock Activity:						
Expenses of Capital Stock Activity		--		--		3
Stock Forward Repurchase Contract		(5)		12		(8)
Long Term Incentive Plan Issuances		7		15		8
Balance at End of Year		$197		$(100)		$(501)
Treasury Shares						
Balance at Beginning of Year	44,082	$(1,705)		$--		$--
Capital Stock Activity:						
Repurchase of Common Stock	11,950	(496)	22,610	(1,009)		--
Stock Forward Repurchase Contract			21,489	(696)		
Long Term Incentive Plan Issuances	(195)	7				
Stock Option Exercises	(962)	19	(17)	--		--
Cancellation of Treasury Shares	(54,875)	2,175		--		--
Balance at End of Year	--	$--	44,082	$(1,705)		$--
Accumulated Other Comprehensive Income						
Balance at Beginning of Year		$4		$--		$--
Unrealized Gain (Loss) on Marketable Securities, net of income taxes of $(3), $3, and $0 tax, respectively		(5)		4		
Balance at End of Year		$(1)		$4		$--
Total Shareholder's Equity		$1,775		$1,910		$3,194
Comprehensive Income						
Net Income		$507		$582		$513
Other Comprehensive Income, net of income taxes		(5)		4		--
Total Comprehensive Income		$502		$586		$513

See Notes to Consolidated Financial Statements

1. Significant Accounting Policies

Description of Business

Incorporated in Pennsylvania in 1929, PECO Energy Company (PECO), is engaged principally in the production, purchase, transmission, distribution and sale of electricity to residential, commercial, industrial and wholesale customers and the distribution and sale of natural gas to residential, commercial and industrial customers. Pursuant to the Pennsylvania Electricity Generation Customer Choice and Competition Act (Competition Act), the Commonwealth of Pennsylvania has required the unbundling of retail electric services in Pennsylvania into separate generation, transmission and distribution services with open retail competition for generation services. Since the commencement of deregulation in 1999, PECO serves as the local distribution company providing electric distribution services in its franchised service territory in southeastern Pennsylvania and bundled electric service to customers who do not choose an alternate electric generation supplier.

PECO also engages in the wholesale marketing of electricity on a national basis. Through its Exelon Energy division, PECO is a competitive generation supplier offering competitive energy supply to customers throughout Pennsylvania. PECO's infrastructure services subsidiary, Exelon Infrastructure Services, Inc. (EIS), provides utility infrastructure services to customers in several regions of the United States. PECO owns a 50% interest in AmerGen Energy Company, LLC (AmerGen), a joint venture with British Energy, Inc., a wholly-owned subsidiary of British Energy plc (British Energy), to acquire and operate nuclear generating facilities. PECO also participates in joint ventures which provide communications services in the Philadelphia metropolitan region. As a result of the corporate restructuring effective January 1, 2001, these operations were separated from the regulated energy delivery business. See Note 22 - Subsequent Events - Restructuring.

Basis of Presentation

The consolidated financial statements of PECO include the accounts of its majority-owned subsidiaries after the elimination of intercompany transactions. PECO accounts for its 20% to 50% owned investments and joint ventures, in which it exerts significant influence, under the equity method of accounting. PECO consolidates its proportionate interest in its jointly owned electric utility plants. PECO accounts for its less than 20% owned investments under the cost method of accounting. Accounting policies for regulated operations are in accordance with those prescribed by the regulatory authorities having jurisdiction, principally the Pennsylvania Public Utility Commission (PUC), the Federal Energy Regulatory Commission (FERC) and the Securities and Exchange Commission (SEC) under the Public Utility Holding Company Act of 1935 (PUHCA).

Exelon Corporation (Exelon), formed as a wholly owned subsidiary of PECO in 1999, became the parent company of PECO when each share of outstanding common stock of PECO was exchanged for one share of Exelon common stock in connection with the merger. See Note 2 - Merger.

Accounting for the Effects of Regulation

PECO accounts for all of its regulated electric and gas operations in accordance with Statement of Financial Accounting Standards (SFAS) No. 71, "Accounting for the Effects of Certain Types of Regulation," requiring PECO to record the financial statement effects of the rate regulation to which such operations are currently subject. Use of SFAS No. 71 is applicable to the utility operations of PECO which meet the following criteria: (1) third-party regulation of rates; (2) cost-based rates; and (3) a reasonable assumption that all costs will be recoverable from customers through rates. PECO believes that it is probable that regulatory assets associated with these operations will be recovered. If a separable portion of PECO's business no longer meets the provisions of SFAS No. 71, PECO is required to eliminate the financial statement effects of regulation for that portion.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenues

Operating revenues are recorded as service is rendered or energy is delivered to customers. At the end of each month, PECO accrues an estimate for the unbilled amount of energy delivered or services provided to its electric and gas customers. PECO recognizes contract revenue and profits on long-term, fixed-price contracts from its services businesses by the percentage-of-completion method of accounting based on costs incurred as a percentage of estimated total costs of individual contracts.

Purchased Gas Adjustment Clause

PECO's natural gas rates are subject to a fuel adjustment clause designed to recover or refund the difference between the actual cost of purchased gas and the amount included in base rates. Differences between the amounts billed to customers and the actual costs recoverable are deferred and recovered or refunded in future periods by means of prospective quarterly adjustments to rates.

Nuclear Fuel

The cost of nuclear fuel is capitalized and charged to fuel expense using the unit of production method. Estimated costs of nuclear fuel disposal are charged to fuel expense as the related fuel is consumed.

Depreciation, Amortization and Decommissioning

Depreciation is provided over the estimated service lives of property, plant and equipment on a straight line basis. Annual depreciation provisions for financial reporting purposes, expressed as a percentage of average service life for each asset category are presented below:

Asset Category	2000	1999	1998
Electric -- Transmission and Distribution	1.82%	1.83%	1.96%
Electric -- Generation	5.15%	5.12%	5.26%
Gas	2.39%	2.36%	2.40%
Common	2.10%	2.13%	4.54%
Other Property and Equipment	7.82%	8.61%	2.80%

Amortization of regulatory assets is provided over the recovery period as specified in the related regulatory agreement. Goodwill associated with acquisitions is being amortized on a straight line basis over 20 years. Accumulated amortization of goodwill was $10 million and $1 million at December 31, 2000 and 1999, respectively.

PECO's estimate of the costs for decommissioning its nuclear generating stations is currently included in regulated rates. The amounts recovered from customers are deposited in trust accounts and invested for funding of future costs for current plants. PECO accounts for the current period's cost of decommissioning its operating nuclear units by recording a charge to depreciation expense and a corresponding liability in accumulated depreciation. PECO believes that the amounts being recovered from customers through electric rates along with the earnings on the trust funds will be sufficient to fully fund its decommissioning obligations.

Capitalized Interest

PECO uses SFAS No. 34, "Capitalizing Interest Costs," to calculate the costs during construction of debt funds used to finance its non-regulated construction projects. PECO recorded capitalized interest of $2 million, $6 million and $7 million in 2000, 1999 and 1998, respectively.

Allowance for Funds Used During Construction (AFUDC) is the cost during the period of construction of debt and equity funds used to finance construction projects for regulated operations. AFUDC is recorded as a charge to Construction Work in Progress and as a non-cash credit to AFUDC which is included in Other Income and Deductions. The rates used for capitalizing AFUDC are computed under a method prescribed by regulatory authorities.

Income Taxes

Deferred Federal and state income taxes are provided on all significant temporary differences between book bases and tax bases of assets and liabilities, transactions that reflect taxable income in a year different from book income and tax carryforwards. Investment tax credits previously utilized for income tax purposes have been deferred on PECO's Consolidated Balance Sheets and are recognized in book income over the life of the related property. PECO and its subsidiaries file a consolidated Federal income tax return with Exelon. Income taxes are allocated to PECO and each of its subsidiaries within the consolidated group based on the separate return method.

Gains and Losses on Reacquired Debt

Gains and losses on reacquired debt are being recognized in PECO's Consolidated Statements of Income as incurred. Gains and losses on reacquired debt related to regulated operations incurred prior to January 1, 1998, have been deferred and are being amortized to interest expense over the period approved for ratemaking purposes.

Comprehensive Income

Comprehensive income includes all changes in equity during a period except those resulting from investments by and distributions to shareholders. Comprehensive income is reflected in PECO's Consolidated Statements of Changes in Shareholders' Equity and Comprehensive Income.

Cash and Cash Equivalents

PECO considers all temporary cash investments purchased with an original maturity of three months or less to be cash equivalents.

Marketable Securities

Marketable securities are classified as available-for-sale securities and are reported at fair value, with the unrealized gains and losses, net of tax, reported in other comprehensive income. Unrealized gains and losses on marketable securities held in the nuclear decommissioning trust funds are reported in accumulated depreciation. At December 31, 2000 and 1999, PECO had no held-to-maturity or trading securities.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost. PECO evaluates the carrying value of property, plant and equipment and other long-term assets based upon current and anticipated undiscounted cash flows, and recognizes an impairment when it is probable that such estimated cash flows will be less than the carrying value of the asset. Measurement of the amount of impairment, if any, is based upon the difference between carrying value and fair value. The cost of maintenance, repairs and minor replacements of property are charged to maintenance expense as incurred.

Upon retirement, the cost of regulated property plus removal costs less salvage value are charged to accumulated depreciation in accordance with the provisions of SFAS No. 71. For unregulated property, the cost and accumulated depreciation of property, plant and equipment retired or otherwise disposed of are removed from the related accounts and included in the determination of the gain or loss on disposition.

Capitalized Software Costs

Costs incurred during the application development stage of software projects for software which is developed or obtained for internal use are capitalized. At December 31, 2000 and 1999, capitalized software costs totaled $131 million and $105 million, respectively, net of $49 million and $32 million of accumulated amortization, respectively. Such capitalized amounts are amortized ratably over the expected lives of the projects when they become operational, not to exceed ten years.

Retail and Wholesale Energy Commitments

In the normal course of business, PECO utilizes contracts for the forward sale and purchase of energy to manage the utilization of its available generating capability and provision of wholesale energy to its retail affiliates. PECO also utilizes energy option contracts and energy financial swap arrangements to limit the market price risk associated with the forward energy commodity contracts. Through December 31, 2000, PECO recognized any gains or losses on forward commodity contracts when the underlying transactions affect earnings. Revenues and expenses associated with market price risk management contracts are amortized over the terms of such contracts.

At December 31, 2000, PECO's retail and wholesale activities included short-term and long-term commitments, which are carried at the lower of cost or market, to purchase and sell energy and energy-related products in the retail and wholesale markets with the intent and ability to deliver or take delivery. Revenue and expense associated with energy commitments are reported at the time the underlying physical transaction affects earnings.

Hedge Accounting

Hedge accounting is applied only if the derivative reduces the risk of the underlying hedged item and is designated at inception as a hedge, with respect to the hedged item. If a derivative instrument ceased to meet the criteria for deferral, any gains or losses are recognized in income.

New Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board (FASB) issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," to establish accounting and reporting standards for derivatives. The new standard requires recognizing all derivatives as either assets or liabilities on the balance sheet at their fair value and specifies the accounting for changes in fair value depending upon the intended use of the derivative. In June 1999, the FASB issued SFAS No. 137 "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133," which delayed the effective date for SFAS No. 133 until fiscal years beginning after June 15, 2000. The effect of adopting SFAS No. 133 in the first quarter of 2001 will result in a cumulative after-tax increase in net income of $17 million and other comprehensive income of $21 million. The adoption will also impact the assets and liabilities recorded on the Consolidated Balance Sheets of PECO and may result in future earnings volatility. See Note 22 - Subsequent Events - Restructuring. The determination of the impact of SFAS No. 133 is based on current interpretations of SFAS No. 133, including interpretations of the Derivatives Implementation Group of the FASB, related to the treatment of electricity capacity contracts. If final guidance, when issued, changes the treatment of electricity capacity contracts, the effects of the implementation of SFAS No. 133 may differ from the amounts disclosed above.

In September 2000, the FASB issued SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, a Replacement of FASB Statement No, 125." This new standard revises the standards for accounting for securitizations and other transfers of financial assets and collateral and requires certain disclosures, but it carries over most of the provisions of SFAS No. 125 without reconsideration. SFAS No. 140 provides accounting and reporting standards for transfers and servicing of financial assets and extinguishments of liabilities. SFAS No. 140 is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001 and should be applied prospectively. At December 31, 2000, PECO did not anticipate entering into any transactions that would be subject to the provisions of SFAS No. 140 when it becomes effective.

Reclassifications

Certain prior year amounts have been reclassified for comparative purposes. These reclassifications had no effect on net income.

2. Merger

On October 20, 2000, Exelon became the parent corporation for each of PECO and Commonwealth Edison Company (ComEd) as a result of the completion of the transactions contemplated by an Agreement and Plan of Exchange and Merger, as amended (Merger Agreement), among PECO, Unicom Corporation (Unicom) and Exelon. Pursuant to the Merger Agreement, (a) each share of outstanding common stock of PECO was exchanged for one share of common stock of Exelon (Share Exchange) and (b) Unicom merged with and into Exelon (Merger and together with the Share Exchange, Merger Transaction). In the Merger Transaction, each share of the outstanding common stock of Unicom was converted into 0.875 shares of common stock of Exelon plus $3.00 in cash. Also pursuant to the Merger Agreement, PECO and Unicom repurchased approximately $1.5 billion of common stock prior to the closing of the Merger Transaction, with Unicom repurchasing approximately $1.0 billion of its common stock, and PECO repurchasing approximately $500 million of its common stock. As a result of the Share Exchange, Exelon became the owner of all of the common stock of PECO. As a result of the Merger, Unicom ceased to exist and its subsidiaries, including ComEd, became subsidiaries of Exelon.

PECO's merger-related costs charged to expense in 2000 were $248 million consisting of $132 million of direct incremental costs and $116 million for employee costs. Direct incremental costs represent expenses directly associated with completing the Merger Transaction, including professional fees, regulatory approval and settlement costs, and settlement of compensation arrangements. Employee costs represent estimated severance payments and pension and postretirement benefits provided under Exelon's Merger Separation Plan (MSP) for eligible employees who are expected to be involuntarily terminated before October 2002 due to integration activities of the merged companies.

Approximately 642 positions have been identified to be eliminated as a result of the Merger Transaction. PECO anticipates that $116 million of employee costs will be funded from its pension and postretirement benefit plans.

3. Acquisitions

Sithe Energies, Inc. Acquisition

On December 18, 2000, PECO acquired 49.9% of the outstanding common stock of Sithe Energies, Inc. (Sithe) through an intercompany transaction with Exelon for $696 million in cash and $8 million of acquisition costs. The transaction includes an option to purchase the remaining common stock outstanding exercisable between December 2002 and December 2005, at a price to be determined based on prevailing market conditions. See Note 20 - Related-Party Transactions.

Sithe is an independent power generator in North America utilizing primarily fossil and hydro generation. The purchase involves approximately 10,000 megawatts (MW) of generation consisting of 3,800 MW of existing merchant generation, 2,500 MW under construction, and another 3,700 MW of generation in various stages of development, as well as Sithe's domestic marketing and development businesses. The generation assets are located primarily in Massachusetts and New York, but also include plants in Pennsylvania, California, Colorado and Idaho, as well as Canada and Mexico.

Exelon Infrastructure Services Acquisitions

In 2000, EIS, an unregulated majority owned subsidiary of PECO, acquired the stock or assets of seven utility service contracting companies for an aggregate purchase price of approximately $245 million, net of cash acquired of $9 million, including EIS common stock valued at $14 million. The acquisitions

were accounted for using the purchase method of accounting. The initial estimate of the excess of purchase price over the fair value of net assets acquired (goodwill) was approximately $216 million.

The allocation of purchase price to the fair value of assets acquired and liabilities assumed in these acquisitions is as follows:

Current Assets (net of cash acquired)	$ 63
Property, Plant and Equipment	17
Goodwill	216
Current Liabilities	(51)
Total	$ 245

Goodwill associated with these acquisitions is being amortized over 20 years.

At December 31, 2000 and 1999, Current Assets includes $70 million and $48 million, respectively, of Costs and Earnings in Excess of Billings on uncompleted contracts and Current Liabilities includes $23 million and $9 million, respectively, of Billings and Earnings in Excess of Costs on uncompleted contracts, related to EIS.

AmerGen Energy Company, LLC

In August 2000, AmerGen completed the purchase of Oyster Creek Nuclear Generating Facility (Oyster Creek) from GPU, Inc. (GPU) for $10 million. Under the terms of the purchase agreement, GPU agreed to fund outage costs not to exceed $89 million, including the cost of fuel, for a refueling outage that occurred in 2000. AmerGen will repay these costs to GPU in nine equal annual installments beginning in August 2001. In addition, AmerGen assumed full responsibility for the ultimate decommissioning of Oyster Creek. At the closing of the sale, GPU provided funding for the decommissioning trust of $440 million. In conjunction with this acquisition, AmerGen has received a fully funded decommissioning trust fund which has been computed assuming the anticipated costs to appropriately decommission Oyster Creek discounted to net present value using the NRC's mandated rate of 2%. AmerGen believes that the amount of the trust fund and investment earnings thereon will be sufficient to meet its decommissioning obligation. GPU is purchasing the electricity generated by Oyster Creek pursuant to a three-year power purchase agreement.

4. Accounting Change

During the fourth quarter of 2000, as a result of the synchronization of accounting policies with Unicom in connection with the Merger Transaction, PECO changed its method of accounting for nuclear outage costs to record such costs as incurred. Previously, PECO accrued these costs over the operating cycle. As a result of the change in accounting method for nuclear outage costs, PECO recorded income of $24 million, net of income taxes of $16 million. The change is reported as a cumulative effect of a change in accounting principle on PECO's Consolidated Statements of Income as of December 31, 2000, representing the balance of the nuclear outage cost reserve at January 1, 2000. Exclusive of the cumulative effect of a change in accounting principle, the change in accounting method for nuclear outage costs did not have a material impact on PECO's financial position, results of operations or cash flows in 2000. On a pro forma basis, PECO reported net income for 1999 and 1998 would have been decreased by $6 million and increased by $11 million, respectively.

5. Regulatory Issues

In addition to retail competition for generation services, PECO's 1998 settlement of its restructuring case mandated by the Competition Act required PECO to provide generation services to customers who do not or cannot choose an alternate supplier through December 31, 2010 and established caps on generation and distribution rates. The settlement also authorized PECO to recover $5.3 billion of stranded costs and to securitize a portion of its stranded cost recovery.

Customer Choice

The PUC's Final Restructuring Order provided for the phase-in of customer choice of electric generation supplier (EGS) for all customers: one-third of the peak load of each customer class on January 1, 1999; one-third on January 2, 1999; and the remaining one-third on January 1, 2000. The Final Restructuring Order also established market share thresholds to ensure that a minimum number of residential and commercial customers choose an EGS or a PECO affiliate. If less than 35% and 50% of residential and commercial customers have chosen an EGS, including residential customers assigned to an EGS as a provider of last resort default supplier, by January 1, 2001 and January 1, 2003, respectively, the number of customers sufficient to meet the necessary threshold levels shall be randomly selected and assigned to an EGS through a PUC-determined process. On January 1, 2001, the 35% threshold was met for all three customer classes as a result of agreements assigning customers to New Power Company and Green Mountain as providers of last resort default service. At December 31, 2000, approximately 18% of PECO's residential load, 46% of its commercial load and 42% of its industrial load were purchasing generation from an alternative generation supplier.

Rate Reductions and Caps

Under the Final Restructuring Order, retail electric rates were capped at year-end 1996 levels (system-wide average of 9.96 cents/kilowatt-hour (kWh)) through June 2005. The Final Restructuring Order required PECO to reduce its retail electric rates by 8% from the 1996 system-wide average rate on January 1, 1999. This rate reduction decreased to 6% on January 1, 2000 until January 1, 2001. The transmission and distribution rate component was capped at a system-wide average rate of 2.98 cents/kWh through June 30, 2005. Additionally, generation rate caps, defined as the sum of the applicable transition charge and energy and capacity charge, will remain in effect through 2010.

On March 16, 2000, the PUC issued an order authorizing PECO to securitize up to an additional $1 billion of its authorized stranded costs recovery. In accordance with the terms of that order, PECO will provide its retail customers with rate reductions in the total amount of $60 million beginning on January 1, 2001. This rate reduction will be effective for calendar year 2001 only.

Under a comprehensive settlement agreement in connection with achieving regulatory approval of the Merger Transaction, PECO agreed to $200 million in rate reductions for all customers in Pennsylvania over the period January 1, 2002 through 2005 and extended the rate caps on PECO's retail electric distribution charges through December 31, 2006.

6. Supplemental Financial Information

Supplemental Income Statement Information

Taxes Other Than Income

	For the Years Ended December 31,		
	2000	1999	1998
Gross receipts	$144	$155	$156
Real estate	45	72	51
Payroll	27	28	30
Other	21	7	43
Total	$237	$262	$280

Other, Net

	For the years ended December 31,		
	2000	1999	1998
Interest income	$ 50	$ 52	$ 26
Gain (loss) on disposition of assets, net	(20)	(1)	(5)
Settlement of power purchase agreement	6	--	14
AFUDC	2	4	4
Other	3	4	(38)
Total	$ 41	$ 59	$ 1

Supplemental Cash Flow Information

	For the years ended December 31,		
	2000	1999	1998
Cash paid during the year:			
Interest (net of amount capitalized)	$431	$350	$385
Income taxes (net of refunds)	$261	$304	$347
Noncash investing and financing:			
Investment in Sithe	$696	--	--
Issuance of EIS stock	$ 14	$ 11	--
Capital lease obligations incurred	--	--	$ 38
Depreciation and amortization:			
Property, plant and equipment	$229	$207	$190
Nuclear fuel	112	104	62
Regulatory assets	57	--	424
Decommissioning	29	29	29
Goodwill	10	1	--
Leased property	--	17	60
	$437	$358	$765

Supplemental Balance Sheet Information

Investments

	December 31,	
	2000	1999
Investment in Sithe	$704	$ --
Energy services and other ventures	64	57
Investment in AmerGen	44	40
Communications ventures	35	24
Marketable securities	--	9
Total	$847	$130

Regulatory Assets

	December 31, 2000	1999
Competitive transition charge	$ 5,218	$ 5,275
Recoverable deferred income taxes (see Note 12)	661	638
Loss on reacquired debt	64	71
Compensated absences	5	4
Non-pension postretirement benefits	78	84
Long-Term Regulatory Assets	6,026	6,072
Deferred energy costs (current asset)	86	7
Total	$ 6,112	$ 6,079

At December 31, 2000 and 1999, the Competitive Transition Charge (CTC) includes the unamortized balance of $4.8 billion and $3.9 billion, respectively, of Intangible Transition Property (ITP) sold to PECO Energy Transition Trust (PETT) in connection with the securitization of PECO's stranded cost recovery. ITP represents the irrevocable right of PECO or its assignee to collect non-bypassable charges from customers to recover stranded costs. During 2000, PECO securitized an additional $1 billion of its authorized stranded cost recovery, and accordingly converted an additional $1 billion of CTC to ITP.

7. Accounts Receivable

Accounts receivable -- Customer at December 31, 2000 and 1999 included unbilled operating revenues of $180 million and $153 million, respectively. The allowance for uncollectible accounts at December 31, 2000 and 1999 was $131 million and $112 million, respectively.

Accounts receivable -- Other at December 31, 2000 and 1999 included notes receivable from a communications investment in the amount of $153 million. The average interest rate on the notes receivable was 6.22% and 5.66% at December 31, 2000 and 1999, respectively. Interest income related to the notes receivable was $10 million and $6 million in 2000 and 1999, respectively.

PECO is party to an agreement with a financial institution under which it can sell or finance with limited recourse an undivided interest, adjusted daily, in up to $225 million of designated accounts receivable until November 2005. At December 31, 2000, PECO had sold a $225 million interest in accounts receivable, consisting of a $185 million interest in accounts receivable which PECO accounted for as a sale under SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities," and a $40 million interest in special-agreement accounts receivable which were accounted for as a long-term note payable. See Note 11 -- Long-Term Debt. PECO retains the servicing responsibility for these receivables. The agreement requires PECO to maintain the $225 million interest, which, if not met, requires PECO to deposit cash in order to satisfy such requirements. At December 31, 2000 and 1999, PECO met this requirement and was not required to make any cash deposits.

8. Property, Plant and Equipment

A summary of property, plant and equipment by classification as of December 31, 2000 and 1999 is as follows:

	2000	1999
Electric -- Transmission & Distribution	$3,836	$3,953
Electric -- Generation	2,086	1,942
Gas	1,181	1,176
Common	408	408
Nuclear Fuel	1,664	1,551
Construction Work in Progress	498	232
Leased Property	2	2
Other Property, Plant and Equipment	197	152
Total Property, Plant and Equipment	9,872	9,416
Less Accumulated Depreciation (including accumulated amortization of nuclear fuel of $1,445 and $1,281 in 2000 and 1999, respectively)	4,714	4,412
Property, Plant and Equipment, net	$5,158	$5,004

9. Jointly Owned Electric Utility Plant

PECO's ownership interests in jointly owned electric utility plant at December 31, 2000, were as follows:

	Production Plants				Transmission
	Peach Bottom	Salem	Keystone	Conemaugh	and Other Plant
Operator	PECO	PSEG	Sithe	Sithe	Various Co.
Participating interest	46.25%	42.59%	20.99%	20.72%	21% to 43%
PECO's share:					
Utility plant	$378	$ 3	$120	$190	$ 80
Accumulated depreciation	$214	$ 3	$ 94	$118	$ 31
Construction work in progress	$ 41	$ 41	$ 4	$ 10	$ --

PECO's undivided ownership interests are financed with PECO funds and, when placed in service, all operations are accounted for as if such participating interests were wholly owned facilities.

On September 30, 1999, PECO reached an agreement to purchase an additional 7.51% ownership interest in Peach Bottom Atomic Power Station (Peach Bottom) from Atlantic City Electric Company and Delmarva Power & Light Company for $18 million. On December 24, 2000, PECO completed the purchase of Delmarva Power & Light Company's 3.755% interest in Peach Bottom for $9 million. The purchase of Atlantic City Electric Company's ownership interest is still pending regulatory approval which is expected in 2001.

10. Notes Payable - Banks

	2000	1999	1998
Average borrowings	$186	$242	$209
Average interest rates, computed on daily basis	6.62%	5.62%	5.83%
Maximum borrowings outstanding	$500	$728	$525
Average interest rates, at December 31	7.18%	6.80%	6.17%

PECO, along with Exelon and ComEd, entered into a $2 billion unsecured revolving credit facility on December 20, 2000 with a group of banks. PECO has an $800 million sublimit under the 364-day facility and expects to use the credit facility principally to support its $800 million commercial paper program. At December 31, 2000 and 1999, the amount of commercial paper outstanding was $161 million and $142 million, respectively. At December 31, 1999, PECO had $21 million of borrowings on lines of credit.

11. Long-Term Debt

	Rates	Maturity Date	At December 31, 2000	1999
PETT Transition Bonds Series 1999-A:				
Fixed rates	5.48%-6.13%	2001-2008(a)	$2,706	$2,826
Floating rates	6.955%-7.03%	2004-2007(a)	1,132	1,132
PETT Transition Bonds Series 2000-A:	7.18%-7.65%	2001-2009(a)	1,000	--
First and Refunding Mortgage Bonds (b) (c):				
Fixed rates	5.625%-10.25%	2001-2024	1,148	1,538
Floating rates	4.28%	2011-2015	154	154
Notes payable	7.25%	2003-2004	14	38
Pollution control notes:				
Floating rates	4.28%	2012-2034	369	369
Notes payable - accounts receivable agreement	6.66%	2005	40	49
Total Long-Term Debt (d)			6,563	6,106
Unamortized debt discount and premium, net			(8)	(9)
Due within one year			(553)	(128)
Long-Term Debt			$6,002	$5,969

(a) The maturity date represents the expected final payment date which is the date when all principal and interest of the related class of transition bonds is expected to be paid in full in accordance with the expected amortization schedule for the applicable class. The date when all principal and interest must be paid in full for the PETT Series 1999-A Transition Bonds and 2000-A Transition Bonds are 2003 through 2009 and 2003 through 2010, respectively. The current portion of transition bonds is based upon the expected maturity date.

(b) Utility plant of PECO is subject to the lien of its mortgage indenture.

(c) Includes first mortgage bonds issued under the PECO mortgage indenture securing pollution control notes.

(d) Long-term debt maturities in the period 2001 through 2005 and thereafter are as follows:

2001	$ 553
2002	639
2003	920
2004	518
2005	617
Thereafter	3,316
Total	$6,563

In 1999, PECO entered into treasury forwards associated with the anticipated issuance of Series 2000-A Transition Bonds. On May 2, 2000, these instruments were settled with net proceeds to the counterparties of $13 million which has been deferred and is being amortized over the life of the Series 2000-A Transition Bonds as an increase to interest expense consistent with PECO's hedge accounting policy. In 1998, PECO entered into treasury forwards and forward starting interest rate swaps to manage interest rate exposure associated with the anticipated issuance of Series 1999-A Transition Bonds. On March 18, 1999, these instruments were settled with net proceeds to PECO of $80 million which were deferred and are being amortized over the life of the Series 1999-A Transition Bonds as a reduction of interest expense consistent with PECO's hedge accounting policy. At December 31, 2000 and 1999, the unamortized net gain was $51 million and $71 million, respectively.

In 2000, 1999 and 1998, PECO incurred extraordinary charges aggregating $6 million ($4 million, net of tax), $62 million ($37 million, net of tax) and $34 million ($20 million, net of tax), respectively, consisting of prepayment premiums and the write-off of unamortized deferred financing costs associated with the early retirement of debt.

12. Income Taxes

Income tax expense (benefit) is comprised of the following components:

	For the Year Ended December 31,		
	2000	1999	1998
Included in operations:			
Federal			
Current	$ 181	$ 293	$ 358
Deferred	91	6	(109)
Investment tax credit, net	(15)	(14)	(18)
State			
Current	2	72	95
Deferred	11	1	(6)
	$ 270	$ 358	$ 320
Included in extraordinary item:			
Federal			
Current	$ (2)	$ (19)	$ (11)
State			
Current	--	(6)	(3)
	$ (2)	$ (25)	$ (14)
Included in cumulative effect of a change in accounting principle:			
Federal			
Deferred	$ 13	$ --	$ --
State			
Deferred	3	--	--
	$ 16	$ --	$ --

The total income tax provisions, excluding extraordinary items and cumulative effect of a change in accounting principle, differed from amounts computed by applying the federal statutory tax rate to pretax income as follows:

	For the Year Ended December 31,		
	2000	1999	1998
Income Before Extraordinary Items and Cumulative Effect of a Change in Accounting Principle	$ 487	$ 619	$ 533
Income Taxes	270	358	320
Income Before Income Taxes, Extraordinary Items and Cumulative Effect of a Change in Accounting Principle	$ 757	$ 977	$ 853
Income taxes on above at Federal statutory rate of 35%	$ 265	$ 342	$ 299
Increase (decrease) due to:			
Property basis differences	5	(8)	(10)
State income taxes, net of Federal income tax benefit	9	46	58
Amortization of investment tax credit	(15)	(14)	(18)
Prior period income taxes	4	(7)	(13)
Other, net	2	(1)	4
Income Taxes	$ 270	$ 358	$ 320
Effective income tax rate	35.7%	36.6%	37.5%

Provisions for deferred income taxes consist of the tax effects of the following temporary differences:

	For the Year Ended December 31,		
	2000	1999	1998
Depreciation and amortization	$ 135	$ 23	$ 140
Deferred generation charges recoverable	(23)	--	(175)
Transition bond hedge	29	(29)	--
Deferred energy costs	10	(9)	(2)
Retirement and separation programs	(39)	7	(51)
Merger cost	(25)	--	--
Alternative minimum tax credits	(3)	--	(42)
Other	18	15	15
Subtotal	102	7	(115)
Cumulative effect of a change in accounting principle	16	--	--
Total	$118	$ 7	$(115)

The tax effect of temporary differences giving rise to PECO's net deferred tax liability as of December 31, 2000 and 1999 is as follows:

	2000	1999
Nature of temporary difference:		
Plant basis difference	$2,839	$2,703
Deferred investment tax credit	271	286
Deferred debt refinancing costs	34	37
Deferred pension and postretirement obligations	(187)	(148)
Other, net	(127)	(167)
Deferred income taxes (net) on the balance sheet	$2,830	$2,711

In accordance with SFAS No. 71, PECO has recorded a recoverable deferred income tax asset of $661 million and $638 million at December 31, 2000 and 1999, respectively. These balances are applicable only to regulated assets, as a result of the discontinuance of SFAS No. 71 for PECO's electric generation operations. These recoverable deferred income taxes include the deferred tax effects associated principally with liberalized depreciation accounted for in accordance with the ratemaking policies of the PUC, as well as the revenue impacts thereon, and assume continued recovery of these costs in future rates.

The Internal Revenue Service is currently auditing PECO's Federal tax returns for 1996 through 1999. The current audits are not expected to have a material adverse effect on the financial condition or results of operations of PECO.

13. Retirement Benefits

PECO and its subsidiaries have a defined benefit pension plan and postretirement benefit plans applicable to essentially all employees. Benefits under these plans reflect each employee's compensation, years of service and age at retirement. Funding is based upon actuarially determined contributions that take into account the amount deductible for income tax purposes and the minimum contribution required under the Employee Retirement Income Security Act of 1974, as amended. The following provides a reconciliation of benefit obligations, plan assets and funded status of the plans.

	Pension Benefits		Other Postretirement Benefits	
	2000	1999	2000	1999
Change in Benefit Obligation:				
Net benefit obligation at beginning of year	$ 2,054	$ 2,310	$ 798	$ 848
Service cost	24	29	18	19
Interest cost	158	154	66	57
Plan amendments	--	25	--	--
Actuarial (gain)loss	140	(300)	69	(77)
Curtailments/Settlements	(74)	--	4	--
Special termination benefits	96	--	11	--
Gross benefits paid	(168)	(164)	(44)	(49)
Net benefit obligation at end of year	$ 2,230	$ 2,054	$ 922	$ 798
Change in Plan Assets:				
Fair value of plan assets at beginning of year	$ 2,982	$ 2,745	$ 244	$ 223
Actual return on plan assets	190	400	8	20
Employer contributions	1	1	54	50
Plan participants' contributions	--	--	1	--
Gross benefits paid	(168)	(164)	(44)	(49)
Fair value of plan assets at end of year	$ 3,005	$ 2,982	$ 263	$ 244
Funded status at end of year	$ 775	$ 928	$ (659)	$ (554)
Unrecognized net actuarial (gain)loss	(960)	(1,129)	36	(43)
Unrecognized prior service cost	77	85	--	--
Unrecognized net transition obligation (asset)	(21)	(26)	122	154
Net amount recognized at end of year	$ (129)	$ (142)	$ (501)	$ (443)
Amounts recognized in the consolidated balance sheets consist of:				
Prepaid benefit cost	$ 152	$ 71	4	N/A
Accrued benefit cost	(281)	(213)	(505)	(443)
Net amount recognized at end of year	$ (129)	$ (142)	$ (501)	$ (443)

	Pension Benefits			Other Postretirement Benefits		
	2000	1999	1998	2000	1999	1998
Weighted-average assumptions as of December 31,						
Discount rate	7.60%	8.00%	7.00%	7.60%	8.00%	7.00%
Expected return on plan assets	9.50%	9.50%	9.50%	8.00%	8.00%	8.00%
Rate of compensation increase	5.00%	5.00%	5.00%	4.30%	5.00%	5.00%
Health care cost trend on covered charges	N/A	N/A	N/A	7.00% decreasing to ultimate trend of 5.0% in 2005	8.00% decreasing to ultimate trend of 5.0% in 2006	6.50% decreasing to ultimate trend of 5.0% in 2002

	Pension Benefits			Other Postretirement Benefits		
	2000	1999	1998	2000	1999	1998
Components of net periodic benefit cost (benefit):						
Service cost	$25	$29	$30	$18	$19	$18
Interest cost	158	154	154	66	57	54
Expected return on assets	(238)	(222)	(210)	(18)	(16)	(13)
Amortization of:						
Transition obligation (asset)	(5)	(4)	(5)	12	12	15
Prior service cost	7	5	6	--	--	--
Actuarial (gain)loss	(26)	(8)	(7)	--	--	--
Curtailment charge (credit)	(12)	--	(62)	24	--	53
Settlement charge (credit)	(16)	--	(13)	--	--	--
Net periodic benefit cost (benefit)	$(107)	$(46)	$(107)	$102	$72	$127
Special termination benefit charge	$96	$ --	$114	$11	$ --	$30

Sensitivity of retiree welfare results:	
Effect of a one percentage point increase in assumed health care cost trend	
on total service and interest cost components	$ 11
on postretirement benefit obligation	$ 102
Effect of a one percentage point decrease in assumed health care cost trend	
on total service and interest cost components	$ (9)
on postretirement benefit obligation	$ (85)

Prior service cost is amortized on a straight line basis over the average remaining service period of employees expected to receive benefits under the plans.

During 2000, costs were recognized for special termination benefits in connection with the enhanced retirement and severance benefits provided to employees expected to be terminated as a result of the Merger Transaction. Special termination benefits of $96 million represent PECO's accelerated separation and enhanced benefits under the MSP. In addition, PECO recognized settlement and curtailment credits of $28 million in connection with the MSP. During 1999, all retirees and beneficiaries who began receiving benefit payments prior to January 1, 1994 were granted a cost-of-living adjustment resulting in a $25 million increase in the projected benefit obligation. During 1998, costs were recognized for special termination benefits in connection with the retirement incentives and enhanced severance benefits provided under the Early Retirement and Separation Program.

PECO provides certain health care and life insurance benefits for retired employees. PECO employees become eligible for these benefits if they retire from PECO with ten years of service. Certain benefits for active employees are provided by several insurance companies whose premiums are based upon the benefits paid during the year.

PECO sponsors savings plans for the majority of its employees. The plans allow employees to contribute a portion of their pretax income in accordance with specified guidelines. PECO matches a percentage of the employee contribution up to certain limits. The cost of PECO's matching contribution to the savings plans totaled $11 million, $7 million, and $7 million in 2000, 1999, and 1998, respectively.

14. Preferred and Preference Stock

At December 31, 2000 and 1999, Series Preference Stock, no par value, consisted of 100,000,000 shares authorized, of which no shares were outstanding. At December 31, 2000 and 1999, cumulative Preferred Stock, no par value, consisted of 15,000,000 shares authorized and the amounts set forth below:

		At December 31,			
	Current Redemption Price (a)	Shares Outstanding 2000	Shares Outstanding 1999	Amount 2000	Amount 1999
Series (without mandatory redemption)					
$4.68	$104.00	150,000	150,000	$ 15	$ 15
$4.40	$112.50	274,720	274,720	27	27
$4.30	$102.00	150,000	150,000	15	15
$3.80	$106.00	300,000	300,000	30	30
$7.48	(b)	500,000	500,000	50	50
		1,374,720	1,374,720	137	137
Series (with mandatory redemption)					
$6.12	(c)	370,800	556,200	37	56
Total preferred stock		1,745,520	1,930,920	$174	$193

(a) Redeemable, at the option of PECO, at the indicated dollar amounts per share, plus accrued dividends.
(b) None of the shares of this series are subject to redemption prior to April 1, 2003.
(c) PECO exercised its right to double (to 370,800 shares, from the original 185,400 share requirement) the first annual sinking fund requirement for the $6.12 Series on August 2, 1999. PECO made the annual sinking fund payment of $18.5 million on August 2, 2000. Future annual sinking fund requirements in 2001 and 2002 are $18.5 million.

15. Company-Obligated Mandatorily Redeemable Preferred Securities of a Partnership

At December 31, 2000 and 1999, PECO Energy Capital, L.P. (Partnership), a Delaware limited partnership of which a wholly owned subsidiary of PECO is the sole general partner, had outstanding Company-Obligated Mandatorily Redeemable Preferred Securities of a Partnership (COMRPS) as set forth in the following table:

				At December 31,			
Series	Mandatory Redemption Date	Distribution Rate	Liquidation Value	Trust Receipts Outstanding 2000	Trust Receipts Outstanding 1999	Amount 2000	Amount 1999
PECO Energy Capital Trust II	2037	8.00%	$ 25	2,000,000	2,000,000	$ 50	$ 50
PECO Energy Capital Trust III	2028	7.38%	$1,000	78,105	78,105	78	78
Total				2,078,105	2,078,105	$ 128	$ 128

The securities issued by the PECO trusts represent COMRPS having a distribution rate and liquidation value equivalent to the trust securities. The COMRPS are the sole assets of these trusts and represent limited partnership interests of the Partnership. Each holder of a trust's securities is entitled to withdraw the corresponding number of COMRPS from the trust in exchange for the trust securities so held. Each series of COMRPS is supported by PECO's deferrable interest subordinated debentures, held by the Partnership, which bear interest at rates equal to the distribution rates on the related series of COMRPS.

The interest expense on the debentures is included in Other Income and Deductions in PECO's Consolidated Statements of Income and is deductible for tax purposes.

16. Common Stock

At December 31, 2000 and 1999, common stock without par value consisted of 500,000,000 shares authorized and 170,478,507 and 181,271,692 shares outstanding, respectively.

Stock Repurchase

In January 2000, in connection with the Merger Agreement, PECO entered into a forward purchase agreement to purchase $500 million of its common stock from time to time. Settlement of this forward purchase agreement was, at PECO's election, on a physical, net share or net cash basis. In May 2000, PECO utilized the proceeds from the securitization of a portion of its stranded cost recovery to physically settle this agreement, resulting in the repurchase of 12 million shares of common stock for $496 million. In connection with the settlement of this agreement, PECO received $1 million in accumulated dividends on the repurchased shares and paid $6 million of interest.

During 1997, PECO's Board of Directors authorized the repurchase of up to 25 million shares of its common stock from time to time through open-market, privately negotiated and/or other types of transactions in conformity with the rules of the SEC. Pursuant to these authorizations, PECO entered into forward purchase agreements to be settled from time to time, at PECO's election, on a physical, net share or net cash basis. PECO utilized the proceeds from the securitization of a portion of its stranded cost recovery in the first quarter of 1999 to physically settle these agreements, resulting in the purchase of 21 million shares of common stock for $696 million. In connection with the settlement of these agreements, PECO received $18 million in accumulated dividends on the repurchased shares and paid $6 million of interest.

17. Financial Instruments

Fair values of financial instruments, including liabilities, are estimated based on quoted market prices for the same or similar issues. The carrying amounts and fair values of PECO's financial instruments as of December 31, 2000 and 1999 were as follows:

	2000		1999	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Non-derivatives:				
Assets				
Cash and cash equivalents	$ 303	$ 303	$ 228	$ 228
Trust accounts for decommissioning nuclear plants	$ 440	$ 440	$ 408	$ 408
Marketable securities	--	--	$ 9	$ 9
Liabilities				
Long-term debt (including amounts due within one year)	$6,555	$6,797	$6,097	$5,822
COMRPS	$ 128	$ 122	$ 128	$ 117
Mandatorily Redeemable Preferred Stock	$37	$30	$56	$43
Derivatives:				
Interest rate swaps	--	$(19)	--	$36
Forward interest rate swaps	--	$ 40	--	$66

Financial instruments which potentially subject PECO to concentrations of credit risk consist principally of cash equivalents and customer accounts receivable. PECO places its cash equivalents with high-credit quality financial institutions. Generally, such investments are in excess of the Federal Deposit

Insurance Corporation limit. Concentrations of credit risk with respect to customer accounts receivable are limited due to PECO's large number of customers and their dispersion across many industries.

The fair value of derivatives generally reflects the estimated amounts that PECO would receive or pay to terminate the contracts at the reporting date, thereby taking into account the current unrealized gains or losses of open contracts. Dealer quotes are available for all of PECO's derivatives.

PECO has entered into interest rate swaps relating to two classes of floating rate transition bonds in the aggregate notional amount of $1.1 billion with an average interest rate of 6.65%. PECO has also entered into forward starting interest rate swaps relating to two classes of floating rate transition bonds in the aggregate notional amount of $1.1 billion with an average interest rate of 6.01%. In anticipation of the refinancing of a portion of its two variable rate series of transition bonds in the first quarter of 2001, PECO settled $318 million of the forward starting interest rate swaps in December 2000. The notional amount of derivatives do not represent amounts that are exchanged by the parties and, thus, are not a measure of PECO's exposure. The amounts exchanged are calculated on the basis of the notional or contract amounts, as well as on the other terms of the derivatives, which relate to interest rates and the volatility of these rates.

PECO would be exposed to credit-related losses in the event of non-performance by the counterparties that issued the derivative instruments. PECO does not expect that counterparties to the interest rate swaps will fail to meet these obligations, given their high credit ratings. The credit exposure of derivatives contracts is represented by the fair value of contracts at the reporting date. PECO's interest rate swaps are documented under master agreements. Among other things, these agreements provide for a maximum credit exposure for both parties. Payments are required by the appropriate party when the maximum limit is reached.

18. Commitments and Contingencies

Capital Commitments

PECO estimates that it will spend approximately $260 million for capital expenditures and other investments in 2001.

Nuclear Insurance

The Price-Anderson Act limits the liability of nuclear reactor owners for claims that could arise from a single incident. The current limit is $9.5 billion and is subject to change to account for the effects of inflation and changes in the number of licensed reactors. Through its subsidiaries, PECO carries the maximum available commercial insurance of $200 million and the remaining $9.3 billion is provided through mandatory participation in a financial protection pool. Under the Price-Anderson Act, all nuclear reactor licensees can be assessed up to $89 million per reactor per incident, payable at no more than $10 million per reactor per incident per year. This assessment is subject to inflation and state premium taxes. In addition, the U.S. Congress could impose revenue-raising measures on the nuclear industry to pay claims.

PECO carries property damage, decontamination and premature decommissioning insurance for each station loss resulting from damage to its nuclear plants. In the event of an accident, insurance proceeds must first be used for reactor stabilization and site decontamination. If the decision is made to decommission the facility, a portion of the insurance proceeds will be allocated to a fund, which PECO is required by the Nuclear Regulatory Commission (NRC) to maintain, to provide for decommissioning the facility. PECO is unable to predict the timing of the availability of insurance proceeds to PECO and the amount of such proceeds which would be available. Under the terms of the various insurance agreements, PECO could be assessed up to $20 million for losses incurred at any plant insured by the insurance companies. PECO is self-insured to the extent that any losses may exceed the amount of insurance maintained. Such losses could have a material adverse effect on PECO's financial condition and results of operations.

Additionally, through its subsidiaries, PECO is a member of an industry mutual insurance company that provides replacement power cost insurance in the event of a major accidental outage at a nuclear station. The premium for this coverage is subject to assessment for adverse loss experience. PECO's maximum share of any assessment is $8 million per year.

In addition, PECO participates in the American Nuclear Insurers Master Worker Program, which provides coverage for worker tort claims filed for bodily injury caused by a nuclear energy accident. This program was modified, effective January 1, 1998, to provide coverage to all workers whose "nuclear-related employment" began on or after the commencement date of reactor operations. PECO will not be liable for a retrospective assessment under this new policy. However, in the event losses incurred under the small number of policies in the old program exceed accumulated reserves, a maximum retroactive assessment of up to $12 million could apply.

See Note 22 - Subsequent Events - Restructuring.

Nuclear Decommissioning and Spent Fuel Storage

PECO's current estimate of its nuclear facilities' decommissioning cost is $1.7 billion. Decommissioning costs are recoverable through regulated rates. Under rates in effect through December 31, 2000, PECO collected and expensed approximately $29 million in 2000 from customers which was accounted for as a component of depreciation expense and accumulated depreciation. At December 31, 2000 and 1999, $412 million and $383 million, respectively, were included in accumulated depreciation. In order to fund future decommissioning costs, at December 31, 2000 and 1999, PECO held $440 million and $408 million, respectively, in trust accounts which are included as Investments in PECO's Consolidated Balance Sheets and include both net unrealized and realized gains. Net unrealized gains of $41 million and $45 million, respectively, were recognized in accumulated depreciation in PECO's Consolidated Balance Sheets at December 31, 2000 and 1999, respectively. Net realized gains of $10 million and $14 million were also recognized in accumulated depreciation in PECO's Consolidated Balance Sheets at December 31, 2000 and 1999, respectively. PECO believes that the amounts being recovered from customers through regulated rates and earnings on nuclear decommissioning trust funds will be sufficient to fully fund the unrecorded portion of its decommissioning obligation.

Under the Nuclear Waste Policy Act of 1982 (NWPA), the U.S. Department of Energy (DOE) is responsible for the selection and development of repositories for, and the disposal of, spent nuclear fuel and high-level radioactive waste (SNF). PECO, as required by the NWPA, signed a contract with the DOE (Standard Contract) to provide for disposal of SNF from their respective nuclear generating stations. In accordance with the NWPA and the Standard Contract, PECO pays the DOE one mill ($.001) per kilowatt-hour of net nuclear generation for the cost of nuclear fuel long-term storage and disposal. This fee may be adjusted prospectively in order to ensure full cost recovery. The NWPA and the Standard Contract required the DOE to begin taking possession of SNF generated by nuclear generating units by no later than January 1998. The DOE, however, failed to meet that deadline and its performance is expected to be delayed significantly. The DOE's current estimate for opening an SNF facility is 2010. This extended delay in SNF acceptance by the DOE has led to PECO's consideration of additional dry storage alternatives.

In July 2000, PECO entered into an agreement with the DOE relating to the Peach Bottom nuclear generating station to address the DOE's failure to begin removal of SNF in January 1998 as required by the Standard Contract. Under that agreement, the DOE agrees to provide PECO with credits against PECO's future contributions to the nuclear waste fund over the next ten years to compensate PECO for SNF storage costs incurred as a result of the DOE's breach of the contract. The agreement also provides that, upon PECO's request, the DOE will take title to the SNF and the interim storage facility at Peach Bottom provided certain conditions are met. In November 2000, eight utilities with nuclear power plants filed a Joint Petition for Review against the DOE with the United States Court of Appeals for the Eleventh Circuit seeking to invalidate that portion of the agreement providing for credits to PECO against nuclear waste fund payments on the ground that such provision is a violation of the NWPA. PECO has intervened as a defendant in that case, which is ongoing.

See Note 22 - Subsequent Events - Restructuring.

Energy Commitments

PECO's wholesale operations include the physical delivery and marketing of power obtained through its generation capacity, and long, intermediate and short-term contracts. PECO maintains a net positive supply of energy and capacity, through ownership of generation assets and power purchase and lease agreements, to protect it from the potential operational failure of one of its owned or contracted power generating units. PECO has also contracted for access to additional generation through bilateral long-term power purchase agreements. These agreements are firm commitments related to power generation of specific generation plants and/or are dispatchable in nature - similar to asset ownership. PECO enters into power purchase agreements with the objective of obtaining low-cost energy supply sources to meet its physical delivery obligations to its customers. PECO has also purchased firm transmission rights to ensure that it has reliable transmission capacity to physically move its power supplies to meet customer delivery needs. The intent and business objective for the use of its capital assets and contracts is to provide PECO with physical power supply to enable it to deliver energy to meet customer needs. Except for hedging purposes, PECO does not use financial contracts in its wholesale marketing activities. In 2001, PECO anticipates the use of financial contracts to manage the risk surrounding trading for profit activities.

PECO has entered into bilateral long-term contractual obligations for sales of energy to load-serving entities, including electric utilities, municipalities, electric cooperatives, and retail load aggregators. PECO also enters into contractual obligations to deliver energy to wholesale market participants who primarily focus on the resale of energy products for delivery. PECO provides delivery of its energy to these customers through access to its transmission assets or rights for firm transmission.

In addition, PECO has entered into long-term power purchase agreements with Independent Power Producers (IPP) under which PECO makes fixed capacity payments to the IPP in return for exclusive rights to the energy and capacity of the generating units for a fixed period. The terms of the long-term power purchase agreements enable PECO to supply the fuel and dispatch energy from the plants.

At December 31, 2000, PECO had long-term commitments, in millions of megawatt-hours (MWh) and dollars, relating to the purchase and sale of energy, capacity and transmission rights from unaffiliated utilities and others as expressed in the tables below:

	Power Only			
	Purchases		Sales	
	MWh	Dollars	MWh	Dollars
2001	16	$335	27	$ 705
2002	9	131	10	257
2003	7	94	9	228
2004	5	71	4	110
2005	4	61	4	109
Thereafter	5	81	3	72
Total		$773		$1,481

	Capacity Purchases in Dollars	Capacity Sales in Dollars	Transmission Rights Purchases in Dollars
2001	$ 167	$ 32	$ 100
2002	307	21	35
2003	334	16	32
2004	325	3	25
2005	297	3	25
Thereafter	4,399	8	79
Total	$5,829	$ 83	$296

In 1997, PECO entered into a power supply contract in Massachusetts. In 1999, PECO determined that, based upon anticipated prices of energy in Massachusetts through the remaining life of the power supply contract, it had incurred a loss of approximately $36 million.

In 1999, PECO entered into a final settlement of litigation that resulted in a restructuring of power purchase agreements between PECO and a cogeneration facility. The settlement also required PECO to contribute its partnership interest in the cogeneration facility to the remaining partners. Accordingly, PECO recorded a charge to earnings of $15 million for the transfer of its partnership interest which is recorded in Other Income and Deductions on PECO's Consolidated Statements of Income. The settlement also resolved related litigation with Westinghouse Power Generation and the Chase Manhattan Bank. Subsequently, in 1999, PECO revised its estimate for losses associated with the cogeneration facility power purchase agreements and reversed approximately $26 million of reserves, which consisted principally of the remaining balance of a reserve previously recognized in 1997.

See Note 22 - Subsequent Events - Restructuring.

Environmental Issues

PECO's operations have in the past and may in the future require substantial capital expenditures in order to comply with environmental laws. Additionally, under Federal and state environmental laws, PECO, through its subsidiaries, is generally liable for the costs of remediating environmental contamination of property now or formerly owned by PECO and of property contaminated by hazardous substances generated by PECO. PECO owns or leases a number of real estate parcels, including parcels on which its operations or the operations of others may have resulted in contamination by substances which are considered hazardous under environmental laws. PECO has identified 28 sites where former manufactured gas plant (MGP) activities have or may have resulted in actual site contamination. PECO is currently involved in a number of proceedings relating to sites where hazardous substances have been deposited and may be subject to additional proceedings in the future.

As of December 31, 2000 and 1999, PECO had accrued $54 million and $57 million, respectively, for environmental investigation and remediation costs, including $30 million and $32 million, respectively, for MGP investigation and remediation, that currently can be reasonably estimated. PECO cannot reasonably estimate whether it will incur other significant liabilities for additional investigation and remediation costs at these or additional sites identified by PECO, environmental agencies or others, or whether such costs will be recoverable from third parties.

Leases

Minimum future operating lease payments as of December 31, 2000 were:

2001	$ 49
2002	43
2003	43
2004	30
2005	33
Remaining years	543
Total minimum future lease payments	$741

Rental expense under operating leases totaled $36 million, $54 million, and $69 million in 2000, 1999, and 1998, respectively.

See Note 22 - Subsequent Events - Restructuring.

Early Retirement and Separation Program

At December 31, 1998, PECO incurred a charge of $125 million ($74 million, net of income taxes) for its Early Retirement and Separation Program relating to 1,157 employees. The estimated cost of separation benefits was

approximately $47 million. Retirement benefits of approximately $78 million are being paid to the retirees over their lives. All cash payments related to the Early Retirement and Separation Program were funded through the assets of PECO's Service Annuity Plan. The Early Retirement and Separation Program terminated on June 30, 2000.

Litigation

Cajun Electric Power Cooperative, Inc. On May 27, 1998, the United States Department of Justice, on behalf of the Rural Utilities Service and the Chapter 11 Trustee for the Cajun Electric Power Cooperative, Inc. (Cajun), filed an action claiming breach of contract against PECO in the United States District Court for the Middle District of Louisiana arising out of PECO's termination of the contract to purchase Cajun's interest in the River Bend nuclear power plant. This action seeks the full purchase price of the 30% interest in the River Bend nuclear plant, $50 million, plus interest and consequential damages. While PECO cannot predict the outcome of this matter, PECO believes that it validly exercised its right of termination and did not breach the agreement.

Pennsylvania Real Estate Tax Appeals PECO is involved in tax appeals regarding two of its nuclear facilities, Limerick (Montgomery County) and Peach Bottom (York County). PECO is also involved in the tax appeal for Three Mile Island Unit No. 1 Nuclear Generating Facility (Dauphin County) through AmerGen. PECO does not believe the outcome of these matters will have a material adverse effect on PECO's results of operations or financial condition.

General PECO is involved in various other litigation matters. The ultimate outcome of such matters, while uncertain, is not expected to have a material adverse effect on PECO's financial condition or results of operations.

19. Segment Information

PECO evaluates the performance of its business segments based on Earnings Before Interest Expense and Income Taxes (EBIT). PECO's general corporate expenses and certain non-recurring expenses are excluded from the internal evaluation of reportable segment performance. General corporate expenses include the cost of executive management, corporate accounting and finance, information technology, risk management, human resources and legal functions and employee benefits.

Energy Delivery consists of the retail electricity distribution and transmission business in southeastern Pennsylvania and the natural gas distribution business. Generation consists of electric generating facilities, power marketing operations, and PECO's interests in Sithe and AmerGen. Enterprises consists of competitive retail energy sales, energy and infrastructure services, communications and related investments. An analysis and reconciliation of PECO's business segment information to the respective information in the consolidated financial statements are as follows:

	Energy Delivery	Generation	Enterprises	Corporate	Intersegment Revenues	Consolidated
Revenues:						
2000	$3,373	$2,803	$697	$ --	$(923)	$5,950
1999	$3,265	$2,896	$116	$ --	$(799)	$5,478
1998	$3,799	$2,523	$12	$ --	$(1,009)	$5,325
EBIT:						
2000	$1,231	$375	$(69)	$(315)(a)	$ --	$1,222
1999	$1,386	$239	$(41)	$(190)	$ --	$1,394
1998	$1,378	$233	$(139)	$(257)(a)	$ --	$1,215
Depreciation and Amortization:						
2000	$195	$99	$31	$ --	$ --	$325
1999	$108	$125	$4	$ --	$ --	$237
1998	$533	$110	$ --	$ --		
					$ --	$643
Capital Expenditures:						
2000	$219	$243	$64	$23	$ --	$549
1999	$205	$245	$1	$40	$ --	$491
1998	$175	$205	$6	$29	$ --	$415
Total Assets:						
2000	$13,100	$1,648	$991	$(963)	$ --	$14,776
1999	$10,306	$1,734	$640	$407	$ --	$13,087
1998	$9,759	$1,687	$217	$385	$ --	$12,048

(a) Includes non-recurring items of $248 million for merger-related expenses in 2000 and $125 million in 1998 for the Early Retirement and Separation Program.

Equity in losses of communications investments of $45 million, $38 million, and $54 million for 2000, 1999, and 1998, respectively, are included in the Enterprises business unit's EBIT. Equity in earnings (losses) of AmerGen of $4 million and $(0.5) million for 2000 and 1999, respectively, are included in Generation's EBIT.

20. Related-Party Transactions

At December 31, 2000, PECO had a $696 million note payable maturing on or before June 30, 2001, with Exelon, which is reflected in current liabilities in PECO's Consolidated Balance Sheets. The average annual interest rate on this note for the period it was outstanding was 7.6%. At December 31, 2000, PECO had a $400 million intercompany payable with ComEd, which is also reflected in current liabilities in PECO's Consolidated Balance Sheets. The average annual interest rate on this note for the period was 6.5%.

PECO incurred $45 million of merger costs that were directly associated with the acquisition of Unicom on behalf of Exelon prior to the Share Exchange. These costs consisted principally of investment banker, legal and accounting fees. Immediately after the Share Exchange, PECO transferred these costs as a dividend to Exelon for inclusion in the application of purchase accounting to the Unicom assets acquired and liabilities assumed.

21. Quarterly Data (Unaudited)

The data shown below include all adjustments which PECO considers necessary for a fair presentation of such amounts:

	Operating Revenues		Operating Income		Income (Loss) Before Extraordinary Items and Cumulative Effect of a Change in Accounting Principle		Net Income (Loss)	
	2000	1999	2000	1999	2000	1999	2000	1999
Quarter ended:								
March 31	$1,352	$1,267	$343(a)(b)	$365	$166(a)(b)	$157	$195(a)(b)	$157
June 30	$1,385	$1,213	$313(a)(b)	$245	$124(a)(b)	$ 96	$118(a)(b)	$ 69
September 30	$1,629	$1,729	$449(a)(b)	$471	$238(a)(b)	$231	$235(a)(b)	$231
December 31	$1,584	$1,269	$117(a)(b)	$292	$(41)(a)(b)	$135	$(41)(a)	$125

(a) Reflects incremental merger expenses of $11 million, $9 million, $13 million and $215 million ($129 million, net of tax) for each of the four quarters in 2000, respectively, which were reflected in Operating and Maintenance expense.

(b) Reflects a Cumulative Effect of a Change in Accounting Principle of $24 million as a result of PECO's change in accounting method for nuclear outages to recognize such expense as incurred rather than accrued over the operating cycle. See Note 4 - Accounting Change. The effects of the change in accounting method were $29 million, $(3) million, and $(2) million in each of the first three quarters of 2000, respectively.

22. Subsequent Event

Restructuring

During January 2001, Exelon undertook a corporate restructuring to separate PECO's generation and other competitive businesses from its regulated energy delivery business. As part of the restructuring, the non-regulated operations and related assets and liabilities of PECO, representing the Generation and Enterprises business segments were transferred to separate subsidiaries of Exelon. As a result, beginning January 2001, the operations of PECO consist of its retail electricity distribution and transmission business in southeastern Pennsylvania and its natural gas distribution business located in the Pennsylvania counties surrounding the City of Philadelphia. In connection with the transfer, PECO entered into a power purchase agreement (PPA) with Generation. Under the terms of the PPA, PECO will obtain all of its supply from Generation through 2010. Also, under the terms of the transfer, PECO assigned its rights and obligations under various PPAs and fuel supply agreements to Generation. Generation will supply power to PECO from the transferred generation assets, assigned PPAs and other market sources.

As a result of the corporate restructuring, certain risks and commitments that have been disclosed in Note 18 - Commitments and Contingencies and the future financial condition and results of operations will change significantly. On a prospective basis, PECO will not be subject to the risks associated with nuclear insurance, decommissioning, spent fuel disposal and energy commitments, other than its purchase power agreement with Generation. See Note 19 - Segment Information for additional financial information.

PETT Refinancing

On March 1, 2001, PECO refinanced $805 million of floating rate Series 1999-A Transition Bonds through the issuance by PETT of fixed-rate transition bonds.

Report of Independent Accountants

To the Board of Directors and Shareholders of
Commonwealth Edison Company:

In our opinion, the consolidated financial statements listed in the index appearing under Item 14(a)(3)(i) present fairly, in all material respects, the financial position of Commonwealth Edison Company and Subsidiary Companies (ComEd) at December 31, 2000, and the results of their operations and their cash flows for the periods from January 1, 2000 through October 19, 2000 and from October 20, 2000 through December 31, 2000, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 14(a)(3)(ii) for the year ended December 31, 2000, presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and the financial statement schedule are the responsibility of ComEd's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2 to the consolidated financial statements, effective October 20, 2000, Exelon Corporation acquired Unicom Corporation, the parent company of ComEd, in a business combination accounted for as a purchase. As a result of the acquisition, the consolidated financial information for the period after the acquisition is presented on a different cost basis than that for the periods before the acquisition and therefore, is not comparable.

PricewaterhouseCoopers LLP

Chicago, Illinois
January 30, 2001

Report Of Independent Public Accountants

To the Shareholders of Commonwealth Edison Company:

We have audited the accompanying consolidated balance sheet of Commonwealth Edison Company (an Illinois corporation) and Subsidiary Companies as of December 31, 1999, and the related consolidated statements of income, cash flows, and changes in shareholders' equity and comprehensive income for each of the two years in the period ended December 31, 1999. These financial statements and the schedule referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Commonwealth Edison Company and Subsidiary Companies as of December 31, 1999, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed under Item 14(a)(3)(ii) for each of the two years in the period ended December 31, 1999, is presented for the purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

Arthur Andersen LLP

Chicago, Illinois
January 31, 2000

Commonwealth Edison Company and Subsidiary Companies
Consolidated Statements of Income

	For the period		For the Years Ended December 31,	
	Oct. 20 - Dec. 31 2000	Jan. 1 - Oct. 19 2000	1999	1998
	(In Millions)			
Operating Revenues	$ 1,310	$ 5,702	$ 6,793	$ 7,150
Operating Expenses				
Fuel and Purchased Power	322	1,655	1,549	1,853
Operating and Maintenance	423	1,653	2,352	2,274
Merger-Related Costs	14	53	--	--
Depreciation and Amortization	130	868	836	938
Taxes Other Than Income	83	425	507	698
Total Operating Expenses	972	4,654	5,244	5,763
Operating Income	338	1,048	1,549	1,387
Other Income and Deductions				
Interest Expense	(127)	(469)	(602)	(502)
Provision for Dividends on Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts Holding Solely the Company's Subordinated Debt Securities	(6)	(24)	(30)	(30)
Other, Net	31	277	60	90
Total Other Income and Deductions	(102)	(216)	(572)	(442)
Income Before Income Taxes and Extraordinary Items	236	832	977	945
Income Taxes	103	229	326	351
Income Before Extraordinary Items	133	603	651	594
Extraordinary Items (net of income taxes of $2 and $18 for the periods ending Oct. 19, 2000 and Dec. 31, 1999, respectively)	--	(4)	(28)	--
Net Income	133	599	623	594
Preferred and Preference Stock Dividends	--	3	24	57
Net Income on Common Stock	$ 133	$ 596	$ 599	$ 537

See Notes to Consolidated Financial Statements

Commonwealth Edison Company and Subsidiary Companies
Consolidated Statements of Cash Flows

	For the period			
	Oct. 20 - Dec. 31 2000	Jan.1 - Oct. 19 2000	For the Years Ended December 31, 1999	1998
		(In Millions)		
Cash Flows from Operating Activities				
Net Income	$ 133	$ 599	$ 623	$ 594
Adjustments to reconcile Net Income to Net Cash Flows provided by Operating Activities:				
Depreciation and Amortization	174	1,012	902	954
Extraordinary Items (net of income taxes)	--	4	28	--
(Gain)/loss on Forward Share Arrangements	--	(113)	44	--
Provision for Uncollectible Accounts	16	30	87	61
Deferred Income Taxes	72	886	(1,378)	103
Merger-Related Costs	14	53	--	--
Early Retirement and Separation Program	--	28	(62)	10
Contribution to Environmental Trust	--	--	(250)	--
Recovery of Coal Reserve Regulatory Assets	--	--	198	108
Other Operating Activities	(69)	(10)	(77)	29
Changes in Working Capital:				
Accounts Receivable	(61)	86	(171)	(547)
Inventories	97	17	(6)	8
Accounts Payable & Accrued Expenses	(52)	(1,175)	1,183	90
Other Current Assets & Liabilities	176	(343)	124	142
Net Cash Flows provided by Operating Activities	500	1,074	1,245	1,552
Cash Flows from Investing Activities				
Investment in Plant	(196)	(1,210)	(1,337)	(1,095)
Plant Removals, net	(11)	(14)	(75)	(87)
Sales of Generating Plants	--	--	4,886	177
Contributions to Nuclear Decommissioning Trust Funds	(89)	(39)	(90)	(137)
Intercompany Receivables from Affiliates	(417)	302	(2,209)	--
Other Investments	(63)	125	(39)	--
Other Investing Activities	--	9	8	7
Net Cash Flows (used in) provided by Investing Activities	(776)	(827)	1,144	(1,135)
Cash Flows from Financing Activities				
Issuance of Long-Term Debt, net of issuance costs	--	450	--	3,605
Common Stock Repurchases	--	(153)	(115)	--
Retirement of Long-Term Debt	(84)	(755)	(1,558)	(498)
Change in Short-Term Debt	--	(5)	(272)	118
Redemption of Preferred Securities of Subsidiaries	--	(71)	(534)	(34)
Dividends on Capital Stock	(95)	(260)	(392)	(430)
Common Stock Forward Repurchases	--	(67)	(813)	(7)
Nuclear Fuel Lease Principal Payments	--	(270)	(255)	(255)
Proceeds from the Sale/Leaseback of Nuclear Fuel	--	--	--	101
Net Cash Flow (used in) provided by Financing Activities	(179)	(1,131)	(3,939)	2,600
Cash, Cash Equivalents and Restricted Cash:				
Increase (Decrease)	(455)	(884)	(1,550)	3,017
Balance at beginning of period	656	1,540	3,090	73
Balance at end of period	$ 201	$ 656	$ 1,540	$ 3,090

See Notes to Consolidated Financial Statements

Commonwealth Edison Company and Subsidiary Companies
Consolidated Balance Sheets

Assets	At December 31, 2000	1999
	(In Millions)	
Current Assets		
Cash and Cash Equivalents	$ 141	$ 1,255
Restricted Cash	60	285
Accounts Receivable, net		
Customer	970	1,134
Other	279	1,005
Inventories, at average cost		
Fossil Fuel	12	14
Materials and Supplies	174	220
Deferred Income Taxes	89	55
Intercompany Receivable from Affiliate	400	--
Other	285	77
Total Current Assets	2,410	4,045
Property, Plant and Equipment, net	7,657	11,993
Deferred Debits and Other Assets		
Regulatory Assets	1,110	1,326
Nuclear Decommissioning Trust Funds	2,669	2,547
Investments	175	141
Goodwill, net	4,766	--
Notes Receivable from Affiliates	1,316	2,451
Other	178	73
Total Deferred Debits and Other Assets	10,214	6,538
Total Assets	$ 20,281	$ 22,576
Liabilities and Shareholders' Equity		
Current Liabilities		
Notes Payable, Bank	$ --	$ 5
Long-Term Debt Due Within One Year	348	732
Accounts Payable	597	415
Accrued Expenses	148	120
Accrued Interest	222	215
Accrued Taxes	162	1,421
Other	329	519
Total Current Liabilities	1,806	3,427
Long-Term Debt	6,882	6,962
Deferred Credits and Other Liabilities		
Deferred Income Taxes	1,837	2,456
Unamortized Investment Tax Credits	59	485
Nuclear Decommissioning Liability for Retired Plants	1,301	1,260
Pension Obligations	285	477
Non-Pension Postretirement Benefits Obligation	315	442
Other	1,285	1,336
Total Deferred Credits and Other Liabilities	5,082	6,456
Mandatorily Redeemable Preference Stock	--	69
Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts Holding the Company's Subordinated Debt Securities	328	350
Commitments and Contingencies		
Shareholders' Equity		
Common Stock	2,678	2,678
Preferred and Preference Stock	7	9
Other Paid in Capital	5,388	2,211
Retained Earnings	133	433
Treasury Stock, at cost	(2,023)	(27)
Accumulated Other Comprehensive Income	--	8
Total Shareholders' Equity	6,183	5,312
Total Liabilities and Shareholders' Equity	$ 20,281	$ 22,576

See Notes to Consolidated Financial Statements

Commonwealth Edison Company and Subsidiary Companies
Statement of Changes in Shareholders' Equity and Comprehensive Income

Year Ended December 31,	2000		1999		1998	
	Shares	Amount	Shares	Amount	Shares	Amount
	(dollars in millions and shares in thousands)					
Common Stock						
Balance at Beginning of Year	214,238	$ 2,678	214,236	$ 2,678	214,228	$ 2,678
Conversion of $1.425 Preferred Stock	4	--	2	--	8	--
Balance at End of Year	214,242	$ 2,678	214,238	$ 2,678	214,236	$ 2,678
Preferred and Preference Stock						
Balance at Beginning of Year	57	$ 9	13,561	$ 524	13,566	$ 507
Preferred and Preference Stock Redemptions	(56)	(2)	(13,504)	(515)	(8)	--
Preference Stock Issuance		--		--	3	17
Balance at End of Year	1	$ 7	57	$ 9	13,561	$ 524
Other Paid in Capital						
Balance at Beginning of Year		$ 2,211		$2,208		$2,208
Capital Stock and Warrant Expense		--		3		--
Balance at October 19, 2000		2,211				
Merger Fair Value Adjustment		3,177				
Balance at End of Year		$ 5,388		$2,211		$2,208
Retained Earnings						
Balance at Beginning of Year		$ 433		$ 177		$ (19)
Net Income		599		623		594
Dividends:						
Common Stock		(238)		(342)		(343)
Preferred and Preference Stock		(1)		(9)		(55)
Capital Stock Activity:						
Expenses of Capital Stock Activity		(1)		(16)		--
Balance at October 19, 2000		792				
Merger Fair Value Adjustment		(792)				
Net Income for Post Merger Period (from October 20, 2000 to December 31, 2000)		133				
Balance at End of Year		$ 133		$ 433		$ 177
Treasury Shares						
Balance at Beginning of Year	264	$ (27)	179	$ (7)	--	$ --
Capital Stock Activity:						
Repurchase of Common Stock	3,964	(153)	85	(20)	179	(7)
Stock Forward Repurchase Contract	26,268	(993)		--	--	--
Balance at October 19, 2000	30,496	(1,173)				
Repurchase of Common Stock	19,941	(850)				
Balance at End of Year	50,437	$(2,023)	264	$ (27)	179	$ (7)
Accumulated Other Comprehensive Income						
Balance at Beginning of Year		$ 8		$ --		$ --
Unrealized Gain(Loss) on Marketable Securities, net of income tax of $0 and $5, respectively		(2)		8		--
Balance at October 19, 2000		6				
Merger Fair Value Adjustment		(6)				
Balance at End of Year		$ --		$ 8		$ --
Total Shareholders' Equity		$ 6,183		$ 5,312		$5,580
Comprehensive Income						
Net Income		$ 732		$ 623		$ 594
Other Comprehensive Income, net of income tax		--		8		--
Total Comprehensive Income		$ 732		$ 631		$ 594

See Notes to Consolidated Financial Statements

1. Significant Accounting Policies

Description of Business

Commonwealth Edison Company (ComEd) is engaged principally in the production, purchase, transmission, distribution and sale of electricity to 3.5 million retail customers. ComEd's retail electric service territories are located principally in northern Illinois including metropolitan Chicago, spanning an area of approximately 11,300 square miles. ComEd operates as one business segment, that of a vertically integrated electric utility. See Note 19 - - Subsequent Event, regarding Exelon Corporation's (Exelon's) corporate restructuring.

Basis of Presentation

The consolidated financial statements of ComEd include the accounts of ComEd, Commonwealth Edison Company of Indiana, Inc. , Edison Development Canada Inc. , ComEd Financing I and ComEd Financing II , ComEd Funding LLC (ComEd Funding), and ComEd Transitional Funding Trust (ComEd Funding Trust). All significant intercompany transactions have been eliminated. Although the accounts of ComEd Funding and ComEd Funding Trust, which are Special Purpose Entities (SPEs), are included in the consolidated financial statements, as required by generally accepted accounting principles (GAAP), ComEd Funding and ComEd Funding Trust are separate legal entities from ComEd. The assets of the SPEs are not available to creditors of ComEd and the transitional property held by the SPEs are not assets of ComEd. Accounting policies for regulated operations are in accordance with those prescribed by the regulatory authorities having jurisdiction, principally the Illinois Commerce Commission (ICC), the Federal Energy Regulatory Commission (FERC) and the Securities and Exchange Commission (SEC) under the Public Utility Holding Company Act of 1935 (PUHCA).

ComEd, a regulated electric utility, is a principal subsidiary of Exelon, which owns 99.9% of ComEd common stock. ComEd was the principal subsidiary of Unicom Corporation (Unicom) prior to the merger with Exelon. See Note 2 - Merger. The merger was accounted for using the purchase method of accounting in accordance with GAAP. The effects of the purchase method are reflected on the financial statements of ComEd as of the merger date. Accordingly, the financial statements presented for the period after the merger reflect a new basis of accounting. ComEd's financial statements for 2000, separated by a bold black line, are presented for periods prior to and subsequent to the merger.

Accounting for the Effects of Regulation

ComEd accounts for its regulated electric operations in accordance with Statement of Financial Accounting Standards (SFAS) No. 71, "Accounting for the Effects of Certain Types of Regulation," requiring ComEd to record in the financial statement the effects of the rate regulation to which these operations are currently subject. Use of SFAS No. 71 is applicable to the utility operations of ComEd that meet the following criteria: (1) third-party regulation of rates; (2) cost-based rates; and (3) a reasonable assumption that all costs will be recoverable from customers through rates. ComEd believes that it is probable that regulatory assets associated with these operations will be recovered. If a separable portion of ComEd's business no longer meets the provisions of SFAS No. 71, ComEd is required to eliminate the financial statement effects of regulation for that portion.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenues

Operating revenues are generally recorded as service is rendered or energy is delivered to customers. At the end of each month, ComEd accrues an estimate for the unbilled amount of energy delivered or services provided to its customers.

Nuclear Fuel

The cost of nuclear fuel is capitalized and charged to fuel expense using the unit of production method. Estimated costs of nuclear fuel disposal are charged to fuel expense as the related fuel is consumed.

Depreciation, Amortization and Decommissioning

Depreciation is provided over the estimated service lives of property, plant, and equipment on a straight line basis. Annual depreciation provisions for financial reporting purposes, expressed as a percentage of average service life for each asset category are presented below:

Asset Category	2000	1999	1998
Electric -- Transmission and Distribution	5.95%	3.24%	3.23%
Electric -- Generation	4.87%	2.20%	2.79%
Other Property and Equipment	8.51%	5.71%	5.22%

Regulatory assets are amortized over a recovery period specified in the related legislation or regulatory agreement. Goodwill associated with the merger is being amortized on a straight line basis over 40 years. See Note 2 - Merger. Accumulated amortization of goodwill was $23 million at December 31, 2000.

ComEd's estimate of the costs for decommissioning its nuclear generating stations is currently included in regulated rates. The amounts recovered from customers are deposited in trust accounts and invested for funding of future costs for current and retired plants. ComEd accounts for the current period's cost of decommissioning by recording a charge to depreciation expense and a corresponding liability in accumulated depreciation for its operating nuclear units and a reduction to regulatory assets for its retired units. ComEd believes that the amounts being recovered from customers through electric rates along with the earnings on the trust funds will be sufficient to fully fund its decommissioning obligations.

Capitalized Interest

ComEd uses SFAS No. 34, Capitalizing Interest Costs, to calculate the costs during construction of debt funds used to finance its non-regulated construction projects. ComEd recorded capitalized interest of $5 million, $22 million and $28 million in 2000, 1999 and 1998, respectively.

Allowance for Funds Used During Construction (AFUDC) is the cost, during the period of construction, of debt and equity funds used to finance construction projects for regulated operations. AFUDC is recorded as a charge to Construction Work in Progress and as a non-cash credit to AFUDC which is included in Other Income and Deductions. The rates used for capitalizing AFUDC are computed under a method prescribed by regulatory authorities.

Income Taxes

Deferred Federal and state income taxes are provided on all significant temporary differences between book bases and tax bases of assets and liabilities, transactions that reflect taxable income in a year different from book income and tax carryforwards. Investment tax credits previously used for income tax purposes have been deferred on ComEd's Consolidated Balance Sheets and are recognized in book income over the life of the related property. ComEd files a consolidated Federal and state income tax returns with Exelon, and was previously included in Unicom's consolidated income tax returns. Current and deferred income taxes of the consolidated group are allocated to ComEd as if ComEd filed separate income tax returns.

Gains and Losses on Reacquired Debt

Gains and losses on reacquired debt are recognized in ComEd's Consolidated Statements of Income as incurred. Gains and losses on reacquired debt related to regulated operations incurred prior to January 1, 1998, have been deferred and are being amortized to interest expense over the period approved for ratemaking purposes.

Comprehensive Income

Comprehensive income includes all changes in equity during a period except those resulting from investments by and distributions to shareholders. Comprehensive income is reflected in ComEd's Consolidated Statements of Changes in Shareholders' Equity and Comprehensive Income.

Cash and Cash Equivalents

ComEd considers all temporary cash investments purchased with an original maturity of three months or less to be cash equivalents.

Restricted Cash

Restricted cash reflects unused cash proceeds from the issuance of the transitional trust notes and escrowed cash to be applied to the principal and interest payment on the transitional trust notes.

Marketable Securities

Marketable securities are classified as available-for-sale securities and are reported at fair value, with the unrealized gains and losses, net of tax, reported in other comprehensive income. Unrealized gains and losses on marketable securities held in the nuclear decommissioning trust funds are reported in accumulated depreciation for operating units and as a reduction of regulatory assets for retired units. At December 31, 2000 and 1999, ComEd had no held-to-maturity or trading securities.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost. ComEd evaluates the carrying value of property, plant and equipment and other long-term assets based upon current and anticipated undiscounted cash flows, and recognizes an impairment when it is probable that such estimated cash flows will be less than the carrying value of the asset. Measurement of the amount of impairment, if any, is based upon the difference between carrying value and fair value. The cost of maintenance, repairs and minor replacements of property are charged to maintenance expense as incurred.

Upon retirement, the cost of regulated property plus removal costs less salvage, are charged to accumulated depreciation in accordance with the provisions of SFAS No. 71. For unregulated property, the cost and accumulated depreciation of property, plant and equipment retired or otherwise disposed of are removed from the related accounts and included in the determination of the gain or loss on disposition.

Capitalized Software Costs

Costs incurred during the application development stage of software projects which are developed or obtained for internal use are capitalized. At December 31, 2000 and 1999, capitalized software costs totaled $154 million and $112 million, respectively, net of $4 million and $12 million accumulated amortization, respectively. Such capitalized amounts are amortized ratably over the expected lives of the projects when they become operational, not to exceed 10 years. Certain capitalized software is being amortized over 15 years pursuant to regulatory approval.

Retail and Wholesale Energy Commitments

In the normal course of business, ComEd utilizes contracts for the forward sale and purchase of energy to manage the utilization of its available generating capability and provision of wholesale energy to its retail affiliates. ComEd also utilizes energy option contracts and energy financial swap arrangements to limit the market price risk associated with the forward energy commodity contracts. Through December 31, 2000, ComEd generally recognized any gains or losses on forward commodity contracts when the underlying transactions affected earnings. Revenues and expenses associated with market price risk management contracts are amortized over the terms of such contracts.

New Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board (FASB) issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," to establish accounting and reporting standards for derivatives. The new standard requires recognizing all derivatives as either assets or liabilities on the balance sheet at their fair value and specifies the accounting for changes in fair value depending upon the intended use of the derivative. In June 1999, the FASB issued SFAS No. 137 "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133," which delayed the effective date for SFAS No. 133 until fiscal years beginning after June 15, 2000. The effect of adopting SFAS No. 133 in the first quarter of 2001 is not expected to have a material effect on ComEd's financial statements.

In September 2000, the FASB issued SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, a Replacement of FASB Statement No, 125." This new standard revises the standards for accounting for securitizations and other transfers of financial assets and collateral and requires certain disclosures, but it carries over most of the provisions of SFAS No. 125 without reconsideration. SFAS No. 140 provides accounting and reporting standards for transfers and servicing of financial assets and extinguishments of liabilities. SFAS No. 140 is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001 and should be applied prospectively. At December 31, 2000, ComEd did not anticipate entering into any significant transactions that would be subject to the provisions of SFAS No. 140 when it becomes effective.

Reclassifications

Certain prior year amounts have been reclassified for comparative purposes. These reclassifications had no effect on net income.

2. Merger

On October 20, 2000, Exelon became the parent corporation of PECO Energy Company (PECO) and ComEd as a result of the completion of the transactions contemplated by an Agreement and Plan of Exchange and Merger, as amended (Merger Agreement), among PECO, Unicom Corporation (Unicom) and Exelon. Pursuant to the Merger Agreement, Unicom merged with and into Exelon (Merger). In the Merger, each share of the outstanding common stock of Unicom was converted into 0.875 shares of common stock of Exelon plus $3.00 in cash. As a result of the Merger, Unicom ceased to exist and its subsidiaries, including ComEd, became subsidiaries of Exelon.

The Merger was accounted for using the purchase method of accounting. Purchase transactions resulting in one entity becoming substantially wholly owned by the acquiror establish a new basis of accounting in the acquired entity's records for the purchased assets and liabilities. Thus, the purchase price has been allocated to the underlying assets purchased and liabilities assumed based on their estimated fair values at the acquisition date. As a result of the application of the purchase method of accounting, the following fair value adjustments, including the elimination of accumulated depreciation, retained earnings and other comprehensive income, were recorded in ComEd's Consolidated Balance Sheets on October 20, 2000:

Increase (Decrease) in Assets	
Property, Plant and Equipment, net	$(4,790)
Goodwill	4,789
Other Assets	106
(Increase) Decrease in Liabilities and Shareholders' Equity	
Deferred Income Taxes	1,645
Unamortized Investment Tax Credits	401
Merger Severance Liability	(307)
Pension and Postretirement Benefit Obligations	459
Long-Term Debt and Preferred Securities	116
Other Liabilities	(40)
Other Paid in Capital	(3,177)
Retained Earnings	792
Accumulated Other Comprehensive Income	6

Reductions to the carrying value of property, plant and equipment balances primarily reflect the fair value of the nuclear generating assets based on discounted cash flow analyses and independent appraisals. Adjustments to deferred income taxes, long-term debt and preferred securities, and other assets and liabilities were recorded based on the estimate of fair market value.

Reductions to unamortized investment tax credits represents the adjustment of nuclear generating asset investment tax credits to fair value. Merger severance obligations relating to ComEd's employee exit costs were recorded in the purchase price allocation. Reductions to pension and postretirement benefit obligations primarily reflect elimination of unrecognized net actuarial gains, prior service costs and transition obligations.

Goodwill represents the purchase price allocation to ComEd of the cost in excess of net assets acquired in the Merger, which will be amortized over forty years.

Merger-Related Costs

In connection with the Merger, ComEd recorded certain reserves for restructuring costs. Costs incurred prior to the Merger were charged to expense. Costs incurred subsequent to the Merger were reflected as part of the application of purchase accounting and did not affect results of operations.

ComEd's Merger-related costs charged to expense in 2000 were $67 million consisting of $26 million of direct incremental costs and $41 million for employee costs. Direct incremental costs represent expenses directly associated with completing the Merger, including professional fees, regulatory approval and other merger integration costs. Employee costs represent estimated severance payments provided under Exelon's Merger Separation Plan (MSP) for eligible employees whose positions were eliminated before October 20, 2000 due to integration activities of the merged companies.

Included in the purchase price allocation is a liability for exit costs of $307 million for additional employee costs and additional liabilities of approximately $32 million for estimated costs of exiting business activities that were not compatible with the strategic business direction of Exelon. The employee costs include employee severance, actuarially determined pension and postretirement costs, and relocation and other benefits of $128 million, $158 million and $21 million, respectively. The involuntary terminations are a result of merger integration and reengineering of processes, primarily in the areas of corporate support, generation, and energy delivery. The $307 million estimated liability is subject to a final determination of the level of benefits to be provided to a portion of the employees whose positions are expected to be eliminated as a result of the Merger but who are not eligible for the MSP. Adjustments to the liability to reflect final determination of benefit levels will be recorded as an adjustment to goodwill.

Approximately 2,300 positions have been identified to be eliminated as a result of the Merger. ComEd anticipates that $167 million of employee costs will be funded from its pension and postretirement benefit plans and $181 million will be funded from general corporate funds. At December 31, 2000, the reserve balance for employee severance, relocation and other benefits was $144 million, which is reflected in other current liabilities in ComEd's Consolidated Balance Sheets, and is expected to be expended by October 2002.

3. Fossil Plant Sale

In December 1999, ComEd completed the sale of its fossil generating assets to Edison Mission Energy, an Edison International subsidiary (EME), for a cash purchase price of $4.8 billion. The fossil generating assets represented an aggregate generating capacity of approximately 9,772 megawatts.

Just prior to the consummation of the fossil plant sale, ComEd transferred these assets to an affiliate, Unicom Investment, Inc. (Unicom Investment). In consideration for the transferred assets, Unicom Investment paid ComEd consideration totaling approximately $4.8 billion in the form of a demand note in the amount of approximately $2.4 billion and an interest-bearing note with a maturity of twelve

years. Unicom Investment immediately sold the fossil plant assets to EME, in consideration of which Unicom Investment received approximately $4.8 billion in cash from EME. Immediately after its receipt of the cash payment from EME, Unicom Investment paid the demand note in full. Unicom Investment used the remainder of the cash received from EME to fund other business opportunities, including the share repurchases. Of the cash received by ComEd, $1.8 billion was used to pay the costs and taxes associated with the fossil plant sale, including ComEd's contribution of $250 million of the proceeds to an environmental trust as required by Illinois legislation. The remainder of the demand note proceeds was available to ComEd to fund, among other things, transmission and distribution projects, nuclear generation station projects, and environmental and other initiatives.

The sale produced an after-tax gain of approximately $1.6 billion, after recognizing commitments associated with certain coal contracts of $350 million, employee-related costs of $112 million and contributing to the environmental trust. The coal contract costs include the amortization of the remaining balance of ComEd's regulatory asset for unrecovered coal reserves of $178 million and the recognition of $172 million of settlement payments related to the above-market portion of coal purchase commitments ComEd assigned to EME at market value upon completion of the fossil plant sale. The severance costs included pension and postretirement welfare benefit curtailment and special termination benefit costs of $51 million and transition, separation and retention payments of $61 million. A total of 1,730 fossil station employee positions were eliminated upon completion of the fossil plant sale on December 15, 1999. The employees whose positions were eliminated have been terminated. Consistent with the provisions of Illinois legislation, the pre-tax gain on the sale of $2,587 million resulted in a regulatory liability, which was used to recover regulatory assets. Therefore, the gain on the sale, excluding $43 million of amortization of investment tax credits, was recorded as a regulatory liability in the amount of $2,544 million and amortized in the fourth quarter of 1999. The amortization of the regulatory liability and additional regulatory asset amortization of $2,456 million are reflected in depreciation and amortization expense on ComEd's Consolidated Statements of Income.

4. Regulatory Issues

In 2000, the phased process to implement competition into the electric industry continued as mandated by the requirements of Illinois legislation.

Customer Choice

As of December 31, 2000, all non-residential customers were eligible to choose a new electric supplier or elect the power purchase option which allows the purchase of electric energy from ComEd at market-based prices. ComEd's residential customers become eligible to choose a new electric supplier in May 2002. As of December 31, 2000, over 9,500 non-residential customers, representing approximately 27% of ComEd's retail kilowatt-hour sales for the twelve months prior to the introduction of retail competition, had elected to receive their electric energy from an alternative electric supplier or had chosen the power purchase option. ComEd is unable to predict the long-term impact of customer choice on results of operations.

Rate Reductions and Caps

The Illinois legislation also provided a 15% residential base rate reduction effective August 1, 1998 with an additional 5% residential base rate reduction to be implemented in October 2001. Notwithstanding the rate reductions and subject to certain earnings tests, a rate freeze will generally be in effect until at least January 1, 2005. A utility may request a rate increase during the rate freeze period only when necessary to ensure the utility's financial viability. Under the Illinois legislation, if the earned return on common equity of a utility during this period exceeds an established threshold, one-half of the excess earnings must be refunded to customers. The threshold rate of return on common equity is based on the 30-Year Treasury Bond rate plus 8.5% in the years 2000 through 2004. Earnings for purposes of ComEd's rate cap include ComEd's net income calculated in accordance with GAAP and may include accelerated amortization of regulatory assets and the amortization of goodwill. As a result of the Illinois legislation, at December 31, 2000, ComEd had a regulatory asset with an unamortized balance of $385 million that it expects to fully recover and

amortize by the end of 2003. The utility's earned return on common equity and the threshold return on common equity for ComEd are each calculated on a two-year average basis. The earnings sharing provision is applicable only to ComEd's earnings. ComEd did not trigger the earnings sharing provision in 2000 and does not currently expect to trigger the earnings sharing provisions in the years 2001 through 2004.

5. Supplemental Financial Information

Supplemental Income Statement Information

Taxes Other Than Income

	For the period		For the Years Ended December 31,	
	Oct. 20 - Dec. 31 2000	Jan. 1 - Oct. 19 2000	1999	1998
Gross receipts	$ 15	$ 72	$101	$268
Real estate	22	101	114	124
Payroll	12	57	70	70
Illinois electric distribution tax	22	83	114	110
Municipal compensation	15	69	73	89
Other	(3)	43	35	37
Total	$ 83	$425	$507	$698

Other, Net

	For the period		For the Years Ended December 31,	
	Oct. 20 - Dec. 31 2000	Jan. 1 - Oct. 19 2000	1999	1998
Interest income	$ 38	$188	$ 60	$ 15
Gain (loss) on forward share repurchases	--	113	(44)	---
Gain (loss) on disposition of assets, net	--	(31)	13	47
AFUDC	--	19	22	16
Other	(7)	(12)	9	12
Total	$ 31	$277	$ 60	$ 90

Supplemental Cash Flow Information

	For the period		For the Years Ended December 31,	
	Oct. 20 - Dec. 31 2000	Jan. 1 - Oct. 19 2000	1999	1998
Cash paid during the year:				
Interest (net of amount capitalized)	$ 88	$ 418	$ 588	$ 440
Income taxes (net of refunds)	$ 11	$1,190	$ 485	$ 302
Noncash investing and financing:				
Capital lease obligations incurred	--	--	$ 2	$ 106
Common stock repurchase	$ 850	$ --	--	--
Depreciation and amortization:				
Property, plant and equipment	$ 95	$ 530	$ 706	$ 783
Nuclear fuel	44	144	66	16
Regulatory assets	(4)	270	46	65
Decommissioning	16	68	84	90
Goodwill	23	--	--	--
Total	$ 174	$1,012	$ 902	$ 954

Supplemental Balance Sheet Information

Regulatory Assets

	December 31, 2000	1999
Nuclear decommissioning costs	$ 719	$ 699
Recoverable transition costs	385	660
Loss on reacquired debt	35	39
Deferred taxes	(29)	(72)
Total	$ 1,110	$ 1,326

6. Accounts Receivable

Receivables from customers included $29 million and $103 million as of December 31, 2000 and 1999, respectively, in estimated unbilled revenue for service that has been provided to customers, but for which bill issuance was delayed beyond the normal date of issuance. The December 31, 1999 accounts receivable balance reflects temporary billing and collection delays experienced following the implementation of a new customer billing and information system in July 1998. ComEd recorded increased provisions for uncollectible accounts to recognize the estimated portion of the receivables that are not expected to be recoverable. Such provisions increased O&M expenses by $35 million in 1999 compared to normally expected levels. The allowance for uncollectible accounts at December 31, 2000 and 1999 was $60 million and $49 million, respectively. Receivables from customers as of December 31, 2000 and 1999 also included $318 million and $294 million, respectively, for estimated unbilled revenues for electric service that has been provided to customers subsequent to the normal billing date and prior to the end of the reporting period.

7. Property, Plant and Equipment

A summary of property, plant and equipment by classification as of December 31, 2000 and 1999 is as follows:

	2000	1999
Electric -- Transmission & Distribution	$5,612	$ 9,289
Electric -- Generation	1,957	13,826
Nuclear Fuel	677	2,030
Construction Work in Progress	683	654
Plant Held for Future Use	50	44
Other Property, Plant and Equipment	912	1,194
Total Property, Plant and Equipment	$9,891	$27,037
Less Accumulated Depreciation	2,234	15,044
Property, Plant and Equipment, net	$7,657	$11,993

Accumulated depreciation includes accumulated amortization of nuclear fuel of $52 million and $1,315 million, respectively, as well as the decommissioning liability for operating units of $2.1 billion as of December 31, 2000 and 1999. See Note 2 - Merger.

8. Jointly Owned Electric Utility Plant

ComEd has a 75% undivided ownership interest in the Quad Cities nuclear generating station. ComEd's net plant investment of $120 million at December 31, 2000, reflects $38 million in construction in progress and $2 million in accumulated depreciation. ComEd's undivided ownership interest is financed with its funds, and is accounted for as if such participating interest was a wholly owned facility.

9. Notes Payable - Banks

	2000	1999	1998
Average borrowings	$214	$7	$ 32
Average interest rates, computed on daily basis	6.56%	7.75%	7.82%
Maximum borrowings outstanding	$494	$8	$208
Average interest rates, at December 31	--%	8.33%	7.60%

Along with Exelon and PECO, ComEd entered into a $2 billion unsecured revolving credit facility on December 20, 2000 with a group of banks. ComEd has a $200 million sublimit under the 364-day facility and expects to use the credit facility principally to support its $200 million commercial paper program. There was no outstanding debt under this credit facility or commercial paper at December 31, 2000.

10. Long-Term Debt

	Rates	Maturity Date	At December 31, 2000	1999
ComEd Transitional Trust				
Notes Series 1998-A:	5.29%-5.74%	2001-2008	$2,720	$3,070
First and refunding mortgage bonds (a) (b):				
Fixed rates	4.40%-9.875%	2002-2023	3,112	3,587
Notes payable	6.40%-9.20%	2002-2018	1,366	916
Pollution control bonds:				
Fixed rates	5.875%	2007	46	47
Floating rates	4.93%	2009-2014	92	92
Sinking fund debentures	2.875%-4.75%	2001-2011	27	31
Total Long-Term Debt (c)			7,363	7,743
Unamortized debt discount and premium, net			(133)	(49)
Due within one year			(348)	(732)
Long-Term Debt			$6,882	$6,962

(a) Utility plant of ComEd is subject to the liens of its mortgage indenture.

(b) Includes pollution control bonds secured by first mortgage bonds issued under ComEd's mortgage indenture.

(c) Long-term debt maturities in the period 2001 through 2005 and thereafter are as follows:

2001	$ 348
2002	845
2003	695
2004	578
2005	805
Thereafter	4,092
Total	$7,363

In 2000 and 1999, ComEd incurred extraordinary charges aggregating $6 million ($4 million, net of tax), and $46 million ($28 million, net of tax), respectively, consisting of prepayment premiums and the write-offs of unamortized deferred financing costs associated with the early retirement of debt.

11. Income Taxes

Income tax expense (benefit) is comprised of the following components:

	For the period		For the Years Ended December 31,	
	Oct. 20 - Dec. 31 2000	Jan. 1 - Oct. 19 2000	1999	1998
Included in operations:				
Federal				
Current	$ 24	$ (520)	$ 1,466	$ 244
Deferred	57	729	(1,135)	80
Investment tax credit, net	--	(25)	(78)	(40)
State				
Current	7	(112)	316	44
Deferred	15	157	(243)	23
	$ 103	$ 229	$ 326	$ 351
Included in extraordinary items:				
Federal				
Current	$ --	$ (2)	$ (15)	$ --
State				
Current	--	--	(3)	--
	$ --	$ (2)	$ (18)	$ --

The total income tax provisions, excluding extraordinary items, differed from amounts computed by applying the Federal statutory tax rate to pre-tax income as follows:

	For the period		For the Years Ended December 31,	
	Oct. 20 - Dec. 31 2000	Jan. 1 - Oct. 19 2000	1999	1998
Income Before Extraordinary Items	$ 133	$ 603	$ 651	$ 594
Income Taxes	103	229	326	351
Income Before Income Taxes and Extraordinary Items	$ 236	$ 832	$ 977	$ 945
Income taxes on above at Federal statutory rate of 35%	$ 81	$ 292	$ 342	$ 331
Increase (decrease) due to:				
Property basis differences	(4)	(31)	(21)	2
State income taxes, net of Federal income tax benefit	14	30	48	44
Amortization of investment tax credit	--	(19)	(49)	(26)
Unrealized loss (gain) on forward share repurchase agreement	--	(40)	15	--
Other, net	12	(3)	(9)	--
Income Taxes	$ 103	$ 229	$ 326	$ 351
Effective income tax rate	43.6%	27.5%	33.4%	37.1%

Provisions for deferred income taxes consist of the tax effects of the following temporary differences:

	For the period		For the Years Ended December 31,	
	Oct. 20 - Dec. 31 2000	Jan. 1 - Oct. 19 2000	1999	1998
Depreciation and amortization	$ 48	$ 397	$(1,226)	$ 41
Deferred gain on like kind exchange	--	466	--	--
Retirement and separation programs	8	(5)	(44)	(27)
Uncollectible accounts	(7)	2	(8)	(5)
Reacquired debt	--	(1)	(3)	(2)
Environmental clean-up costs	(8)	1	(27)	--
Obsolete inventory	1	(15)	(1)	12
Satisfaction of coal contracts	--	68	(68)	--
Other nuclear operating costs	--	--	33	48
Other	30	(27)	(34)	36
Total	$ 72	$ 886	$(1,378)	$ 103

The tax effect of temporary differences giving rise to ComEd's net deferred tax liability as of December 31, 2000 and 1999 is as follows:

	For the Period	
	2000	1999
Nature of temporary difference:		
Plant basis difference	$ 1,638	$ 3,078
Deferred investment tax credit	59	485
Deferred debt refinancing costs	14	15
Deferred gain on like kind exchange	466	--
Deferred pension and postretirement obligations	(250)	(376)
Other, net	(120)	(316)
Deferred income taxes (net) on the balance sheet	$ 1,807	$ 2,886

The Internal Revenue Service is currently auditing ComEd's Federal tax returns for 1996 through 1999. The current audits are not expected to have an adverse impact on the financial condition or results of operations of ComEd.

12. Retirement Benefits

ComEd have defined benefit pension plans and postretirement benefit plans applicable to its regular employees. Benefits under these plans reflect each employee's compensation, years of service and age at retirement. Funding is based upon actuarially determined contributions that take into account the amount deductible for income tax purposes and the minimum contribution required under the Employee Retirement Income Security Act of 1974, as amended. The following provides a reconciliation of benefit obligations, plan assets and funded status of the plans.

	Pension Benefits		Other Postretirement Benefits	
	2000	1999	2000	1999
Change in Benefit Obligation:				
Net benefit obligation at beginning of year	$ 4,119	$ 4,326	$ 1,169	$ 1,236
Service cost	70	120	33	41
Interest cost	310	285	88	82
Plan participants' contributions	--	--	--	4
Actuarial (gain)loss	91	(433)	76	(170)
Special termination benefits	125	62	42	27
Gross benefits paid	(255)	(241)	(54)	(51)
Net benefit obligation at end of year	$ 4,460	$ 4,119	$ 1,354	$ 1,169
Change in Plan Assets:				
Fair value of plan assets at beginning of year	$ 4,266	$ 4,015	$ 949	$ 865
Actual return on plan assets	(24)	489	(2)	107
Employer contributions	5	3	32	24
Plan participants' contributions	--	--	4	4
Gross benefits paid	(255)	(241)	(58)	(51)
Fair value of plan assets at end of year	$ 3,992	$ 4,266	$ 925	$ 949
Funded status at end of year	$ (468)	$ 147	$ (429)	$ (220)
Miscellaneous adjustment	--	--	6	--
Unrecognized net actuarial (gain)loss	183	(494)	108	(539)
Unrecognized prior service cost	--	(51)	--	41
Unrecognized net transition obligation (asset)	--	(79)	--	276
Accrued benefit recognized at end of year	$ (285)	$ (477)	$ (315)	$ (442)

	Pension Benefits			Other Postretirement Benefits		
	2000	1999	1998	2000	1999	1998
Weighted-average assumptions as of December 31,						
Discount rate	7.60%	6.75%	7.00%	7.60%	6.75%	7.00%
Expected return on plan assets	9.50%	9.25%	9.50%	9.220%	8.97%	9.20%
Rate of compensation increase	4.00%	4.00%	4.00%	N/A	N/A	N/A
Health care cost trend on covered charges	N/A	N/A	N/A	7.00% decreasing to ultimate trend of 5.0% in 2005	8.00% decreasing to ultimate trend of 5.0% in 2005	8.50% decreasing to ultimate trend of 5.0% in 2002

	Pension Benefits			Other Postretirement Benefits		
	2000	1999	1998	2000	1999	1998
Components of net periodic benefit cost (benefit):						
Service cost	$ 70	$ 120	$ 115	$ 33	$ 41	$ 38
Interest cost	310	285	273	88	82	78
Expected return on assets	(394)	(362)	(342)	(85)	(76)	(69)
Amortization of:						
Transition obligation (asset)	(9)	(13)	(12)	16	22	22
Prior service cost	(1)	(4)	(4)	3	4	4
Actuarial (gain)loss	(5)	3	2	(17)	(14)	(14)
Curtailment charge	--	16	--	--	35	--
Settlement charge	--	--	--	--	1	6
Net periodic benefit cost (benefit)	$ (29)	$ 45	$ 32	$ 38	$ 95	$ 65
Special termination benefit charge	$ 4	$--	$ --	$ 5	$ --	$ --

Sensitivity of retiree welfare results:

Effect of a one percentage point increase in assumed health care cost trend on total service and interest cost components	$ 23
on postretirement benefit obligation	$ 223
Effect of a one percentage point decrease in assumed health care cost trend on total service and interest cost components	$ (18)
on postretirement benefit obligation	$ (177)

Prior service cost is amortized on a straight-line basis over the average remaining service period of employees expected to receive benefits under the plans.

Pension and postretirement benefits expense for the periods January 1, 2000 to October 19, 2000, and October 20, 2000 to December 31, 2000 was $5 million and $4 million, respectively.

During 2000, costs were recognized for special termination benefits in connection with the enhanced retirement and severance benefits provided to employees expected to be terminated as a result of the Merger. Special termination benefits of $125 million represent ComEd's accelerated liability increase, including $25 million for plan enhancements, under the MSP. During 1999, $62 million of costs were recognized for special termination benefits related to the reduction in the number of employees resulting from the sale of the fossil stations.

ComEd provides certain health care and life insurance benefits for retired employees. Employees become eligible for these benefits if they retire no earlier than age 55 with ten years of service. Certain benefits for active employees are provided by several insurance companies whose premiums are based upon the benefits paid during the year.

Additionally, ComEd maintains a nonqualified supplemental retirement plan that covers any excess pension benefits that would be payable to management employees under the qualified plan but which are limited by the Internal Revenue Code. The fair value of plan assets excludes $24 million held in grantor trust as of December 31, 2000 for the payment of benefits under the supplemental plan and $9 million held in a grantor trust as of December 31, 2000 for the payment of postretirement medical benefits.

ComEd sponsors savings plans which allows employees to contribute a portion of their base pay in accordance with specified guidelines. ComEd matches a percentage of the employee contribution up to certain limits. The cost of ComEd's matching contribution to the savings plans totaled $31 million, $32 million, and $32 million in 2000, 1999, and 1998, respectively.

13. Preferred Securities

Preferred and Preference Stock

At December 31, 2000 and 1999, there were 51,773 and 56,291 authorized shares of $1.425 convertible preferred stock, respectively, 6,810,451 and 7,510,451 authorized shares of preference stock, respectively, and 850,000 and 850,000 authorized shares of prior preferred stock, respectively.

		At December 31,			
	Current Redemption Price	Shares Outstanding		Amount	
		2000	1999	2000	1999
Without mandatory redemption					
$1.425 convertible preferred stock, cumulative, without par value	$42.00	--	56,291	$--	$ 2
Preference stock, non-cumulative, without par value		1,120	1,120	7	7
		1,120	57,411	$ 7	$ 9
With mandatory redemption					
Series $6.875 preference stock, cumulative, without par value		--	700,000	--	$69
Total preferred and preference stock		1,120	757,411	$ 7	$78

Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts Holding Solely the Company's Subordinated Debt Securities

At December 31, 2000 and 1999, subsidiary trusts of ComEd had outstanding the following securities:

				At December 31,			
	Mandatory Redemption	Distribution	Liquidation	Trust Receipts Outstanding		Amount	
Series	Date	Rate	Value	2000	1999	2000	1999
ComEd Financing I	2035	8.48%	$ 25	8,000,000	8,000,000	$ 200	$200
ComEd Financing II	2027	8.50%	1,000	150,000	150,000	150	150
Unamortized Discount				--	--	(22)	--
Total				8,150,000	8,150,000	$ 328	$350

ComEd Financing I and ComEd Financing II are wholly owned subsidiary trusts of ComEd. The sole assets of each ComEd trust are subordinated deferrable interest debt securities issued by ComEd bearing interest rates equivalent to the distribution rate of the related trust security.

The interest expense on the deferrable interest debt securities is included in Other Income and Deductions in ComEd's Consolidated Statements of Income and is deductible for tax purposes.

14. Common Stock

At December 31, 2000 and 1999, common stock with a $12.50 par value consisted of 250,000,000 and 250,000,000 shares authorized and 163,805,000 and 213,974,000 shares outstanding, respectively.

At December 31, 2000 and 1999, 74,988 and 75,692, respectively, of ComEd common stock purchase warrants were outstanding. The warrants entitle the holders to convert such warrants into common stock of ComEd at a conversion rate of one share of common stock for three warrants. At December 31, 2000, 24,996 shares of common stock were reserved for the conversion of warrants.

Forward Purchase Agreements

In the fourth quarter of 1998, ComEd entered into a forward purchase arrangement with Unicom for the repurchase of $200 million of ComEd common stock. This contract, which was accounted for as an equity instrument as of December 31, 1999, was settled on a net cash basis in February 1999, resulting in a $16 million reduction to common stock equity on ComEd's Consolidated Balance Sheets.

In January 2000, ComEd physically settled the forward share repurchase arrangements it had with Unicom for the repurchase of 26.3 million ComEd common shares. Prior to settlement, the repurchase arrangements were recorded as a receivable on ComEd's Consolidated Balance Sheets based on the aggregate market value of the shares under the arrangements. In 1999, net unrealized losses of $44 million (after-tax) were recorded related to the arrangements. The settlement of the arrangements in January 2000 resulted in a gain of $113 million (after-tax), which was recorded in the first quarter of 2000. The settlement of the arrangements resulted in a reduction in ComEd's outstanding common shares and common stock equity, effective January 2000.

Stock Repurchases

During the first quarter of 2000, ComEd repurchased four million of its common shares from Unicom for $153 million using proceeds from the 1998 issuance of transitional trust notes.

In the fourth quarter of 2000, ComEd repurchased 19.9 million of its common shares from Unicom in exchange for an $850 million note receivable ComEd held from Unicom Investment.

15. Financial Instruments

Fair values of financial instruments, including liabilities, are estimated based on quoted market prices for the same or similar issues. The carrying amounts and fair values of ComEd's financial instruments as of December 31, 2000 and 1999 were as follows:

	2000		1999	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Non-derivatives:				
Assets				
Cash, cash equivalents and restricted cash	$201	$201	$1,540	$1,540
Trust accounts for decommissioning nuclear plants	$2,669	$2,669	$2,547	$2,547
Marketable securities	$33	$33	$34	$34
Liabilities				
Long-term debt (including amounts due within one year)	$7,230	$7,455	$7,694	$7,525
Company-Obligated Mandatorily Redeemable Preferred Securities	$328	$347	$350	$339
Derivatives:				
Energy Swap Contract	$34	$34	$--	$--

Financial instruments which potentially subject ComEd to concentrations of credit risk consist principally of cash equivalents and customer accounts receivable. ComEd places its cash equivalents with high-credit quality financial institutions. Generally, such investments are in excess of the Federal Deposit Insurance Corporation limit. Concentrations of credit risk with respect to customer accounts receivable are limited due to ComEd's large number of customers and their dispersion across many industries.

16. Commitments and Contingencies

Capital Commitments

ComEd estimates that it will spend approximately $900 million for capital expenditures in 2001.

Nuclear Insurance

The Price-Anderson Act limits the liability of nuclear reactor owners for claims that could arise from a single incident. The current limit is $9.5 billion and is subject to change to account for the effects of inflation and changes in the number of licensed reactors. ComEd carried the maximum available commercial insurance of $200 million and the remaining $9.3 billion is provided through mandatory participation in a financial protection pool. Under the Price-Anderson Act, all nuclear reactor licensees can be assessed up to $89 million per reactor per incident, payable at no more than $10 million per reactor per incident per year. This assessment is subject to inflation and state premium taxes. In addition, the U.S. Congress could impose revenue-raising measures on the nuclear industry to pay claims.

ComEd carried property damage, decontamination and premature decommissioning insurance for each station loss resulting from damage to its nuclear plants. In the event of an accident, insurance proceeds must first be used for reactor stabilization and site decontamination. If the decision is made to decommission the facility, a portion of the insurance proceeds will be allocated to a fund, which ComEd was required by the Nuclear Regulatory Commission (NRC) to maintain, to provide for decommissioning the facility. Under the terms of the various insurance agreements, ComEd could have been assessed up to $49 million for losses incurred at any plant insured by the insurance companies. ComEd was self-insured to the extent that any losses might have

exceeded the amount of insurance maintained. Such losses could have had a material adverse effect on ComEd's financial condition and results of operations.

ComEd was a member of an industry insurance company that provides replacement power cost insurance in the event of a major accidental outage at a nuclear station. The premium for this coverage is subject to assessment for adverse loss experience. ComEd's maximum share of any assessment was $10 million per year.

In addition, ComEd participated in the American Nuclear Insurers Master Worker Program, which provides coverage for worker tort claims filed for bodily injury caused by the nuclear energy accident. This program was modified, effective January 1, 1998, to provide coverage to all workers whose "nuclear-related employment" began on or after the commencement date of reactor operations. ComEd will not be liable for a retrospective assessment under this new policy. However, in the event losses incurred under the small number of policies in the old program exceed accumulated reserves, a maximum retroactive assessment of up to $38 million could apply. See Note 19 - Subsequent Events for information regarding a restructuring that Exelon effected in January 2001.

Nuclear Decommissioning and Spent Fuel Storage

ComEd's current estimate of its nuclear facilities' decommissioning cost is $5.2 billion. Decommissioning costs are recoverable through regulated rates. Under rates in effect through December 31, 2000, ComEd expensed approximately $84 million in 2000 collected from customers which was accounted for as a component of depreciation expense and accumulated depreciation for operating units and regulatory assets for retired units. At December 31, 2000 and 1999, $2.1 billion was included in accumulated depreciation. In order to fund future decommissioning costs, at December 31, 2000 and 1999, ComEd held $2.7 billion and $2.5 billion, respectively, in trust accounts which are included in ComEd's Consolidated Balance Sheets and include both net unrealized and realized gains. Net unrealized gains of $499 million and $581 million, respectively, were recognized in accumulated depreciation in ComEd's Consolidated Balance Sheets at December 31, 2000 and 1999, respectively. Net realized gains of $608 million and $502 million were also recognized in accumulated depreciation in ComEd's Consolidated Balance Sheets at December 31, 2000 and 1999, respectively. ComEd believes that the amounts being recovered from customers through regulated rates and earnings on nuclear decommissioning trust funds will be sufficient to fully fund the unrecorded portion of its decommissioning obligation.

In connection with the transfer of ComEd's nuclear generating stations to Exelon Generation Company, LLC (Generation), ComEd asked the ICC to approve the continued recovery of decommissioning costs after the transfer. On December 20, 2000, the ICC issued an order finding that the ICC has the legal authority to permit ComEd to continue to recover decommissioning costs from customers for the six-year term of the power purchase agreements between ComEd and Generation. Under the ICC order, ComEd is permitted to recover $73 million per year from customers for decommissioning for the years 2001 through 2004. In 2005 and 2006, ComEd can recover up to $73 million annually, depending upon the portion of the output of the former ComEd nuclear stations that ComEd purchases from Generation. Subsequent to 2006, there will be no further recoveries of decommissioning costs from customers. The ICC order also provides that any surplus funds after the nuclear stations are decommissioned must be refunded to customers. The amount of recovery in the ICC order is less than the $84 million annual amount ComEd recovered in 2000. The ICC order is currently pending appeal in the Illinois Appellate Court.

Under the Nuclear Waste Policy Act of 1982 (NWPA), the U.S. Department of Energy (DOE) is responsible for the selection and development of repositories for, and the disposal of, spent nuclear fuel and high-level radioactive waste (SNF). ComEd, as required by the NWPA, signed a contract with the DOE (the Standard Contract) to provide for the disposal of SNF from its nuclear generating stations. In accordance with NWPA and the Standard Contract, ComEd pays the DOE one mill ($.001) per kilowatthour of net nuclear generation for the cost of nuclear fuel long-term storage and disposal. This fee may be adjusted prospectively in order to ensure full cost recovery. The NWPA and the Standard Contract required DOE to begin taking possession of SNF generated by nuclear generating units by no later than January, 1998. The DOE, however, failed to meet that deadline and its performance is expected to be delayed significantly.

The DOE's current estimate for opening such a facility is 2010. This extended delay in spent nuclear fuel acceptance by the DOE has led to ComEd's consideration of additional dry storage alternatives.

On July 30, 1998, ComEd filed a complaint against the United States Government (Government) in the United States Court of Federal Claims seeking to recover damages caused by the DOE's failure to honor its contractual obligation to begin disposing of SNF in January 1998. ComEd subsequently moved for partial summary judgment on liability on its breach of contract claim. In August, 2000, the United States Court of Appeals decided two other similar cases against the Government, rejecting the Government's jurisdictional defense and granting partial summary judgment on liability for the plaintiff utilities in one of those cases. The Court later denied the Government's request for rehearing. Following that ruling, ComEd and seven other utility plaintiffs filed motions in their respective cases in the Court of Federal Claims to set a coordinated discovery schedule on damages. On January 8, 2001, the Government filed a motion to reassign all of the SNF cases to one Court of Federal Claims judge for purposes of consolidating the cases to address certain damage issues. Those motions are all pending before the Court. ComEd has also requested that the Court grant its pending summary judgment motion on liability, particularly in light of the Court of Appeal's decision in August 2000.

The Standard Contract with the DOE also requires ComEd to pay the DOE a one-time fee applicable to nuclear generation through April 6, 1983. Pursuant to the Contract, ComEd has elected to pay the one-time fee of $277 million, with interest to the date of payment, just prior to the first delivery of SNF to the DOE. As of December 31, 2000, the liability for the one-time fee with related interest was $810 million.

Energy Commitments

ComEd's wholesale operations include the physical delivery and marketing of power obtained through its generation capacity, and long, intermediate and short-term contracts. ComEd maintains a net positive supply of energy and capacity, through ownership of generation assets and power purchase agreements. These agreements are firm commitments related to power generation of specific generation plants and/or are dispatchable in nature. ComEd enters into power purchase agreements with the objective of obtaining low-cost energy supply sources to meet its physical delivery obligations to its customers. ComEd has also purchased firm transmission rights to ensure that it has reliable transmission capacity to physically move its power supplies to meet customer delivery needs. The intent and business objective for the use of its capital assets and contracts is to provide ComEd with physical power supply to enable it to deliver energy to meet customer needs. Except for hedging purposes, ComEd does not use financial contracts in its wholesale marketing activities.

ComEd has entered into bilateral long-term contractual obligations for sales of energy to load-serving entities, including electric utilities, municipalities, and electric cooperatives. ComEd also enters into contractual obligations to deliver energy to wholesale market participants who primarily focus on the resale of energy products for delivery. ComEd provides delivery of its energy to these customers through access to its transmission assets or rights for firm transmission.

At December 31, 2000, ComEd had long-term commitments, in millions of megawatt hours (MWh) and dollars, relating to the purchase and sale of energy and capacity purchases and transmission rights from unaffiliated utilities and others as expressed in the following tables:

	Power Only			
	Purchases		Sales	
	MWh	Dollars	MWh	Dollars
2001	1	$ 27	9	$135
2002	2	36	8	114
2003	2	41	6	99
2004	---	---	4	80
2005	---	---	2	39
Thereafter	---	---	1	15
Total		$104		$482

	Capacity Purchases in Dollars	Transmission Purchases in Dollars
2001	$ 689	$ 20
2002	575	--
2003	452	--
2004	453	--
2005	117	--
Thereafter	800	--
Total	$ 3,086	$ 20

Environmental Issues

ComEd's operations have in the past and may in the future require substantial capital expenditures in order to comply with environmental laws. Additionally, under Federal and state environmental laws, ComEd is generally liable for the costs of remediating environmental contamination of property now or formerly owned by ComEd and of property contaminated by hazardous substances generated by ComEd. ComEd owns a number of real estate parcels, including parcels on which its operations or the operations of others may have resulted in contamination by substances which are considered hazardous under environmental laws. ComEd has identified 44 sites where former manufactured gas plant (MGP) activities have or may have resulted in actual site contamination. ComEd is currently involved in a number of proceedings relating to sites where hazardous substances have been deposited and may be subject to additional proceedings in the future.

As of December 31, 2000 and 1999, ComEd had accrued $117 million and $100 million, respectively, (reflecting discount rates of 5.5% and 6.5%, respectively) for environmental investigation and remediation costs. These reserves included $110 million and $93 million, respectively, for MGP investigation and remediation. Such estimates, reflecting the effects of a 3% inflation rate before the effects of discounting were $170 million and $182 million at December 31, 2000 and 1999, respectively. ComEd cannot reasonably estimate whether it will incur other significant liabilities for additional investigation and remediation costs at these or additional sites identified by ComEd, environmental agencies or others, or whether such costs will be recoverable from third parties.

Leases

Minimum future operating lease payments as of December 31, 2000 were:

2001	$ 29
2002	34
2003	32
2004	30
2005	26
Remaining years	77
Total minimum future lease payments	$228

Rental expense under operating leases totaled $30 million, $45 million, and $60 million in 2000, 1999 and 1998, respectively.

Litigation

FERC Municipal Request for Refund. Three of ComEd's wholesale municipal customers filed a complaint and request for refund with FERC alleging that ComEd failed to properly adjust their rates, as provided for under the terms of their electric service contracts, and to track certain refunds made to ComEd's retail customers in the years 1992 through 1994. In the third quarter of 1998, the FERC granted the complaint and directed that refunds be made, with interest. ComEd filed a request for rehearing. On January 11, 2001, FERC issued its Order on Rehearing Requesting Submission of Additional Information. Responsive pleadings have been filed by all parties and final FERC action is still pending. ComEd's management believes an adequate reserve has been established in connection with the case.

Service Interruptions. In August 1999, three class action lawsuits were filed, and subsequently consolidated, in the Circuit Court of Cook County, Illinois, seeking damages for personal injuries, property damage and economic losses from ComEd related to a series of service interruptions that occurred in the summer 1999. The combined effect of these interruptions resulted in over 168,000 customers losing service for more than 4 hours. Conditional class certification has been approved by the Court for the sole purpose of exploring settlement talks. A hearing on a motion filed by ComEd to dismiss the complaints is expected in the second quarter of 2001. A portion of any settlement or verdict may be covered by insurance and discussions with the carrier are ongoing. ComEd's management believes adequate reserves have been established in connection with these cases.

Reliability Investigation. In 1999, the ICC opened an investigation regarding the design and reliability of ComEd's transmission and distribution system, which was expanded during 2000 to include a circuit breaker fire that occurred in October 2000 at a ComEd substation. The ICC has issued several reports in that investigation covering the summer 1999 outages as well as the transmission and distribution system. These reports include recommendations and an implementation timetable. The recommendations are not legally binding on ComEd, however, the ICC may enforce them through litigation. Two more reports are anticipated in early 2001, and the investigation is expected to conclude by mid-2001. Since summer 1999, ComEd has devoted significant resources to improving the reliability of its transmission and distribution system. ComEd's management believes that the likelihood of a successful material claim resulting from the investigation is remote.

Retail Rate Law. In 1996, several developers of non-utility generating facilities filed litigation against various Illinois officials claiming that the enforcement against those facilities of an amendment to Illinois law removing the entitlement of those facilities to state-subsidized payments for electricity sold to ComEd after March 15, 1996 violated their rights under the Federal and state constitutions, and against ComEd for a declaratory order that their rights under their contracts with ComEd were not affected by the amendment. On August 4, 1999, the Illinois Appellate Court held that the developers' claims against the State were premature, and the Illinois Supreme Court denied leave to appeal that ruling. Developers of both facilities have since filed amended complaints

repeating their allegations that ComEd breached the contracts in question, and requesting damages for such breach, in the amount of the difference between the state-subsidized rate and the amount ComEd was willing to pay for the electricity. ComEd intends to vigorously contest this matter.

Chicago Franchise. In March 1999, ComEd reached a settlement agreement with the City of Chicago to end the arbitration proceeding between ComEd and Chicago regarding the January 1, 1992 franchise agreement. As part of the settlement agreement, ComEd and Chicago agreed to a revised combination of ongoing work under the franchise agreement and new initiatives that will result in defined transmission and distribution expenditures by ComEd to improve electric services in Chicago. The settlement agreement provided that ComEd be subject to liquidation damages if the projects were not completed by various dates, unless it was prevented from doing so by events beyond its reasonable control. In addition, ComEd and Chicago established an Energy Reliability and Capacity Account, into which ComEd deposited $25 million during 1999 and 2000 and has conditionally agreed to deposit $25 million at the end of the years 2001 and 2002, to help ensure an adequate and reliable electric supply for Chicago.

Other Tax Issues. The Illinois Department of Revenue has issued notice of tax liability to ComEd alleging deficiencies in Illinois invested capital tax payments for the years 1988-1997. The alleged deficiencies, including interest and penalties, totaled approximately $54 million as of December 31, 2000. ComEd has protested the notices, and the matter is currently pending. Interest will continue to accumulate on the alleged tax deficiencies.

General. ComEd is involved in various other litigation matters. The ultimate outcome of such matters, while uncertain, is not expected to have a material adverse effect on ComEd's financial condition or results of operations.

17. Related-Party Transactions

ComEd has a $400 million intercompany receivable from PECO, which is reflected in current assets in ComEd's Consolidated Balance Sheets at December 31, 2000. ComEd also has notes receivable with affiliates of $1.3 billion and $2.5 billion respectively, at December 31, 2000 and 1999 primarily relating to the fossil plant sale, and included in deferred debits and other assets in ComEd's Consolidated Balance Sheets. Interest income earned on this note receivable was $176 million and $9 million for the years ended December 31, 2000 and 1999. Both receivables are under terms comparable to those that would be available from unaffiliated parties.

18. Quarterly Data (Unaudited)

The data shown below include all adjustments which ComEd considers necessary for a fair presentation of such amounts:

	Operating Revenue		Operating Income		Income Before Extraordinary Items		Net Income	
	2000	1999	2000	1999	2000	1999	2000	1999
Quarter ended								
March 31	$1,661	$1,539	$ 266	$ 309	$ 195	$ 97	$ 192	$ 69
June 30	$1,816	$1,696	$ 351	$ 278	$ 148	$ 119	$ 146	$ 119
September 30	$2,092	$2,071	$ 365	$ 613	$ 196	$ 287	$ 197	$ 287
December 31	$1,443	$1,487	$ 404	$ 349	$ 197	$ 148	$ 197	$ 148

19. Subsequent Event

During January 2001, Exelon undertook a corporate restructuring to separate its generation and other competitive businesses from its regulated energy delivery business. As part of the restructuring, the generation related assets and liabilities of ComEd were transferred to a separate subsidiary of Exelon, Generation, in return for ComEd common stock. As a result, beginning January 2001, the operations of ComEd consist of its retail electricity distribution and transmission business in Northern Illinois.

In connection with the transfer, ComEd entered into a power purchase agreement (PPA) with Generation. Under the terms of the PPA, ComEd will obtain all of its power supply from Generation through 2004. In 2005 and 2006, ComEd will obtain all of its power supply from Generation, up to the capacity of ComEd's transferred nuclear generating plants. ComEd will obtain any additional supply required from market sources in 2005 and 2006, and subsequent to 2006,

will obtain all of its supply from market sources, which could include Generation. Also, under the terms of the transfer, ComEd assigned its rights and obligations under various PPAs and fuel supply agreements to Generation. Generation will supply power to ComEd from the transferred nuclear generating plants, assigned PPAs, and other market sources. The PPA sets forth energy prices for the full term of the agreement.

As a result of the corporate restructuring, certain risks and commitments that have been disclosed in Note 16 - Commitments and Contingencies, and the future financial condition and results of operations will change significantly. On a prospective basis, ComEd will not be subject to the risks associated with nuclear insurance, decommissioning, spent fuel disposal and energy commitments, other than its PPA with Generation. Total net assets of approximately $1.6 billion, subject to final determination, were transferred to Generation as of January 1, 2001 pursuant to the corporate restructuring.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Exelon and PECO

None.

ComEd

On November 28, 2000, the Board of Directors of Exelon selected PricewaterhouseCoopers LLP (PwC) as the independent accountant of Exelon and its subsidiaries, including ComEd. PwC was the independent accountant of PECO and its subsidiaries prior to the Unicom merger, and Arthur Andersen LLP (Arthur Andersen) was the certifying accountant for Unicom and ComEd. Arthur Andersen was dismissed by ComEd on November 28, 2000. The Exelon Audit Committee participated in and approved the decision to engage PwC.

The reports of Arthur Andersen on the financial statements of ComEd for the past two years ended December 31, 1999, and the interim periods ended September 30, 2000, contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principle. In connection with its audits for the two most recent fiscal years and through November 27, 2000, there were no disagreements with Arthur Andersen on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements if not resolved to the satisfaction of Arthur Andersen would have caused them to make reference thereto in their report on the financial statements for such years.

During the two most recent fiscal years and through November 28, 2000, ComEd consulted with PwC regarding the application of accounting principles to two related transactions that were completed in 2000. In June 2000, prior to the initiation of the auditor selection process that led to the accountant changes described above, ComEd received written advice from PwC, who was also the financial advisor regarding two like-kind exchange transactions involving one of ComEd's affiliates, Unicom Investment Inc. PwC was asked to report to ComEd pursuant to AICPA Statement of Auditing Standards No. 50 on the appropriate application of United States generally accepted accounting principles to the proposed like-kind exchange transactions. Concurrently, ComEd requested that Arthur Andersen review the proposed accounting for the proposed transactions, and Arthur Andersen concurred with the accounting conclusions proposed by PwC. PwC's reports providing accounting conclusions were presented in two separate letters dated June 9, 2000 and June 22, 2000, which were filed as Exhibits 99-1 and 99-2, respectively, to a Current Report on Form 8-K dated November 28, 2000 that ComEd filed, which exhibits are incorporated herein by this reference.

ComEd requested that Arthur Andersen furnish it with a letter addressed to the SEC stating whether or not it agreed with substantially similar statements as the foregoing contained in the Current Report on Form 8-K dated November 28, 2000. A copy of that letter, dated November 29, 2000 was filed as Exhibit 16 to that Form 8-K. PwC was also provided an opportunity to comment on the contents of the disclosures made in the Form 8-K, and no comments were made.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Exelon

The information required by Item 10 relating to directors and nominees for election as directors at Exelon's Annual Meeting of shareholders is incorporated herein by reference to the information under the heading "BOARD OF DIRECTORS" on pages 7-10 and "OTHER INFORMATION - Section 16(a) Beneficial Ownership Reporting Compliance" on page 32 in Exelon's definitive Proxy Statement (2001 Exelon Proxy Statement) filed with the SEC on March 23, 2001, pursuant to Regulation 14A under the Securities Exchange Act of 1934. The information required by Item 10 relating to executive officers is set forth above in ITEM 1. Business - Executive Officers of Exelon, ComEd and PECO.

PECO

The information required by Item 10 relating to directors and nominees for election as directors at PECO's annual meeting of shareholders is incorporated herein by reference to information under the subheadings "Nominees" and "Security Ownership of Certain Beneficial Owners and Management" under the heading "Item A: Election of Directors" in PECO's definitive Information Statement (2001 PECO Information Statement) to be filed with the SEC prior to April 30, 2001, pursuant to Regulation 14C under the Securities Exchange Act of 1934. The information required by Item 10 relating to executive officers is set forth above in ITEM 1. Business - Executive Officers of Exelon, ComEd and PECO.

ComEd

The information required by Item 10 relating to directors and nominees for election as directors at ComEd's annual meeting of shareholders is incorporated herein by reference to information under the subheadings "Nominees" and "Security Ownership of Certain Beneficial Owners and Management" under the heading "Item A: Election of Directors" in ComEd's definitive Information Statement (2001 ComEd Information Statement) to be filed with the SEC prior to April 30, 2001, pursuant to Regulation 14C under the Securities Exchange Act of 1934. The information required by Item 10 relating to executive officers is set forth above in ITEM 1. Business - Executive Officers of Exelon, ComEd and PECO.

ITEM 11. EXECUTIVE COMPENSATION

Exelon

The information required by Item 11 is incorporated herein by reference to the information labeled "Board Compensation" and pages 20-30 in the 2001 Exelon Proxy Statement.

PECO

The information required by Item 11 is incorporated herein by reference to the paragraph labeled "Compensation of Directors" under the subheading "Additional Information Concerning Board of Directors" under the heading "Item A: Election of Directors" and the paragraphs under the heading "Executive Compensation" (other than the paragraphs under the subheading "Compensation Committee Report on Executive Compensation") in 2001 PECO Information Statement.

ComEd

The information required by Item 11 is incorporated herein by reference to the paragraph labeled "Compensation of Directors" under the subheading "Additional Information Concerning Board of Directors" under the heading "Item A: Election of Directors" and the paragraphs under the heading "Executive Compensation" (other than the paragraphs under the subheading "Compensation Committee Report on Executive Compensation") in the 2001 ComEd Information Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Exelon

The information required by Item 12 is incorporated herein by reference to the stock ownership information under the heading "BENEFICIAL OWNERSHIP" on page 6 in the 2001 Exelon Proxy Statement.

PECO

The information required by Item 12 is incorporated herein by reference to the stock ownership information under the subheading "Security Ownership of Certain Beneficial Owners and Management" under the heading "Item A: Election of Directors" in the 2001 PECO Information Statement.

ComEd

The information required by Item 12 is incorporated herein by reference to the stock ownership information under the subheading "Security Ownership of Certain Beneficial Owners and Management" under the heading "Item A: Election of Directors" in the 2001 ComEd Information Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Exelon

The information required by Item 13 is incorporated herein by reference to the information labeled "OTHER INFORMATION - Transactions with Management" in the 2001 Exelon Proxy Statement.

PECO and ComEd

None.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

Report of Independent Accountants on Financial Statement Schedule

To the Board of Directors and Shareholders
of Exelon Corporation:

Our audits of the consolidated financial statements referred to in our report dated January 30, 2001, except for Note 21 PETT Refinancing for which the date is March 1, 2001, appearing in the 2000 Annual Report to Shareholders of Exelon Corporation (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 14(a)(1)(ii) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PricewaterhouseCoopers LLP

Chicago, Illinois
January 30, 2001

(a) Financial Statements and Financial Statement Schedules

(1) Exelon

(i) Financial Statements

Consolidated Statements of Income for the years 2000, 1999 and 1998

Consolidated Statements of Cash Flows for the years 2000, 1999 and 1998

Consolidated Balance Sheets as of December 31, 2000 and 1999

Consolidated Statements of Changes in Shareholders' Equity and Comprehensive Income for the years 2000, 1999 and 1998

Notes to Consolidated Financial Statements

(ii) Financial Statement Schedule

EXELON CORPORATION AND SUBSIDIARY COMPANIES

Schedule II - Valuation and Qualifying Accounts
(in millions)

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at Beginning of Year	Charged to Cost and Expenses	Charged to Other Accounts	Deductions	Balance at End of Year
FOR THE YEAR ENDED DECEMBER 31, 2000					
Allowance for Uncollectible Accounts	$ 112	$ 87	$ 59(a)	$ 58(b)	$200
Reserve for:					
Merger-Related Costs	$ --	$ --	$ 149(c)	$ 5	$144
Injuries and Damages	$ 23	$ 9	$ 48(d)	$ 11(e)	$ 69
Environmental Investigation and Remediation	$ 57	$ 26	$ 98(c)	$ 10(f)	$171
Obsolete Materials	$ --	$ 48	$ 55(c)	$ 3	$100
FOR THE YEAR ENDED DECEMBER 31, 1999					
Allowance for Uncollectible Accounts	$ 122	$ 59	$ --	$ 69(b)	$112
Reserve for:					
Injuries and Damages	$ 27	$ 7	$ --	$ 11(e)	$ 23
Environmental Investigation and Remediation	$ 60	$ --	$ --	$ 3(f)	$ 57
FOR THE YEAR ENDED DECEMBER 31, 1998					
Allowance for Uncollectible Accounts	$ 134	$ 72	$ --	$ 84(b)	$122
Reserve for:					
Injuries and Damages	$ 33	$ 5	$ --	$ 11(e)	$ 27
Environmental Investigation and Remediation	$ 63	$ --	$ --	$ 3(f)	$ 60

(a) Includes October 20, 2000 opening balance of former Unicom Corporation of $48 million.
(b) Write-off of individual accounts receivable.
(c) Reflects October 20, 2000 opening balance of former Unicom Corporation.
(d) Includes October 20, 2000 opening balance of former Unicom Corporation of $47 million.
(e) Payments of claims and related costs.
(f) Expenditures for site investigation and remediation.

(2) PECO

(i) Financial Statements

Consolidated Statements of Income for the years 2000, 1999 and 1998

Consolidated Statements of Cash Flows for the years 2000, 1999 and 1998

Consolidated Balance Sheets as of December 31, 2000 and 1999

Consolidated Statements of Changes in Shareholders' Equity and Comprehensive Income for the years 2000, 1999 and 1998

Notes to Consolidated Financial Statements

(ii) Financial Statement Schedule

PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES

Schedule II - Valuation and Qualifying Accounts
(in millions)

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at Beginning of Year	Charged to Cost and Expenses	Charged to Other Accounts	Deductions	Balance at End of Year
FOR THE YEAR ENDED DECEMBER 31, 2000					
Allowance for Uncollectible Accounts	$112	$ 68	$ --	$ 49(a)	$131
Reserve for:					
Injuries and Damages	$ 23	$ 7	$ --	$ 9(b)	$ 21
Environmental Investigation and Remediation	$ 57	$ --	$ --	$ 3(c)	$ 54
FOR THE YEAR ENDED DECEMBER 31, 1999					
Allowance for Uncollectible Accounts	$122	$ 59	$ --	$ 69(a)	$112
Reserve for:					
Injuries and Damages	$ 27	$ 7	$ --	$ 11(b)	$ 23
Environmental Investigation and Remediation	$ 60	$ --	$ --	$ 3(c)	$ 57
FOR THE YEAR ENDED DECEMBER 31, 1998					
Allowance for Uncollectible Accounts	$134	$ 72	$ --	$ 84(a)	$122
Reserve for:					
Injuries and Damages	$ 33	$ 5	$ --	$ 11(b)	$ 27
Environmental Investigation and Remediation	$ 63	$ --	$ --	$ 3(c)	$ 60

(a) Write-off of individual accounts receivable.
(b) Payments of claims and related costs.
(c) Expenditures for site investigation and remediation.

(3) ComEd

(i) Financial Statements

Consolidated Statements of Income for the years 2000, 1999 and 1998

Consolidated Statements of Cash Flows for the years 2000, 1999 and 1998

Consolidated Balance Sheets as of December 31, 2000 and 1999

Consolidated Statements of Changes in Shareholders' Equity and Comprehensive Income for the years 2000, 1999 and 1998

Notes to Consolidated Financial Statements

(ii) Financial Statement Schedule

COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES

Schedule II - Valuation and Qualifying Accounts
(in millions)

Column A Description	Column B Balance at Beginning of Year	Column C Additions Charged to Cost and Expenses	Column C Additions Charged to Other Accounts	Column D Deductions	Column E Balance at End of Year
FOR THE YEAR ENDED DECEMBER 31, 2000					
Allowance for Uncollectible Accounts	$ 49	$ 46	$ 11	$ 46	$ 60
Reserve for:					
Merger-Related Costs	$ --	$ --	$ 149	$ 5	$144
Injuries and Damages	$ 55	$ 10	$ 5	$ 22(a)	$ 48
Environmental Investigation and Remediation	$ 100	$ 26	$ --	$ 9(b)	$117
Obsolete Materials	$ 27	$ 57	$ 19	$ 5	$ 98
FOR THE YEAR ENDED DECEMBER 31, 1999					
Allowance for Uncollectible Accounts	$ 48	$ 89	$ --	$ 88	$ 49
Reserve for:					
Injuries and Damages	$ 47	$ 28	$ 7	$ 27(a)	$ 55
Environmental Investigation and Remediation	$ 32	$ 74	$ --	$ 6(b)	$100
Obsolete Materials	$ 24	$ 19	$ --	$ 16	$ 27
Closing Costs for Zion Station (c)	$ 79	$ --	$ --	$ 79	$ --
FOR THE YEAR ENDED DECEMBER 31, 1998					
Allowance for Uncollectible Accounts	$ 18	$ 61	$ --	$ 31	$ 48
Reserve for:					
Injuries and Damages	$ 49	$ 10	$ 9	$ 21(a)	$ 47
Environmental Investigation and Remediation	$ 32	$ 7	$ --	$ 7(b)	$ 32
Obsolete Materials	$ 42	$ 24	$ --	$ 42	$ 24
Closing Costs for Zion Station (c)	$ 194	$ --	$ --	$115	$ 79

(a) Payments of claims and related costs.
(b) Expenditures for site investigation and remediation.

(c) Estimated closing costs related to the permanent cessation of nuclear generation operations and retirement of facilities at ComEd's Zion Station.

The individual financial statements and schedules of Exelon's and ComEd's nonconsolidated wholly owned subsidiaries have been omitted from their respective Annual Reports on Form 10-K because the investments are not material in relation to their respective financial positions or results of operations. As of December 31, 2000, the assets of the nonconsolidated subsidiaries, in the aggregate, were less than 1% of Exelon's and ComEd's consolidated assets. The 2000 revenues of the nonconsolidated subsidiaries, in the aggregate, were less than 1% of Exelon's and ComEd's consolidated annual revenues.

(b) Reports on Form 8-K

(1) Exelon

Exelon filed Current Reports on Form 8-K during the fourth quarter of 2000 regarding the following items:

Date of Earliest Event Reported	Description of Item Reported
October 20, 2000	"ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS" regarding the completion of the merger among PECO and Unicom into Exelon.
October 20, 2000	"ITEM 7. FINANCIAL STATEMENT, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS" includes financial statements of businesses acquired.
October 30, 2000	"ITEM 5. OTHER EVENTS" regarding a presentation at the Edison Electric Institute Fall Financial Conference to explain the merger of PECO and Unicom to form Exelon.
November 15, 2000	"ITEM 5. OTHER EVENTS" regarding a presentation at Exelon's Investor Conference to explain the merger of PECO and Unicom to form Exelon and Exelon's strategy and earnings targets.
November 28, 2000	"ITEM 4. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT" regarding the selection of PwC as the independent accountant of Exelon and its subsidiaries, effective immediately. The exhibits under "ITEM 7. FINANCIAL STATEMENT AND EXHIBIT" include Arthur Andersen's letter to the SEC of changing accountants and PwC's Statement of Auditing Standard No. 50 dated June 9 and June 22, 2000.
December 11, 2000	"ITEM 5. OTHER EVENTS" regarding the announcement by Exelon Enterprises, a division of Exelon Corporation, and Exelon Infrastructure Services, Inc. (EIS), a business unit of Exelon Enterprises, that EIS acquired three utility and industrial infrastructure services companies and signed a definitive agreement to purchase a fourth company. The exhibits under "ITEM 7. FINANCIAL STATEMENT AND EXHIBITS" includes the press release dated December 11, 2000.
December 19, 2000	"ITEM 5. OTHER EVENTS" regarding Exelon's acquisition of 49.9% of the stock of Sithe.
December 20, 2000	"ITEM 5. OTHER EVENTS" regarding ICC issuing an order to permit ComEd to continue the recovery of decommissioning costs from customers for a six-year period.

(2) PECO

PECO filed Current Reports on Form 8-K during the fourth quarter of 2000 regarding the following items:

Date of Earliest Event Reported	Description of Item Reported
October 19, 2000	"ITEM 5. OTHER EVENTS" regarding the approval by the SEC of the merger between PECO and Unicom into Exelon.
October 20, 2000	"ITEM 5. OTHER EVENTS" regarding the completion of the merger between PECO and Unicom into Exelon.
October 24, 2000	"ITEM 5. OTHER EVENTS" regarding PECO's earnings release for the third quarter of 2000.

(3) ComEd

ComEd filed Current Reports on Form 8-K during the fourth quarter of 2000 regarding the following items:

Date of Earliest Event Reported	Description of Item Reported
October 19, 2000	"ITEM 5. OTHER EVENTS" regarding the approval by the SEC of the merger between PECO and Unicom into Exelon.
October 20, 2000	"ITEM 5. OTHER EVENTS" regarding the completion of the merger between PECO and Unicom into Exelon.
November 28, 2000	"ITEM 4. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT" regarding the selection of PwC as the independent accountant of Exelon and its subsidiaries, effective immediately. The exhibits under "ITEM 7. FINANCIAL STATEMENT AND EXHIBIT" include Arthur Andersen's letter to the SEC of changing accountants and PwC's Statement of Auditing Standard No. 50 dated June 9 and June 22, 2000.
December 20, 2000	"ITEM 5. OTHER EVENTS" regarding ComEd's proposal to transfer its nuclear generating stations to a new subsidiary of Exelon and the continual recovery of decommissioning costs after the proposed transfer.

(c) Exhibits

Certain of the following exhibits are incorporated herein by reference under Rule 12b-32 of the Securities and Exchange Act of 1934, as amended. Certain other instruments which would otherwise be required to be listed below have not been so listed because such instruments do not authorize securities in an amount which exceeds 10% of the total assets of the applicable registrant and its subsidiaries on a consolidated basis and each of the registrants agree to furnish a copy of any such instrument to the Commission upon request.

Exhibit No.	Description
2-1	Amended and Restated Agreement and Plan of Merger dated as of October 20, 2000, among PECO Energy Company, Exelon Corporation and Unicom Corporation (File No. 1-01401, PECO Energy Company Form 10-Q for the quarter ended September 30, 2000, Exhibit 2-1).
3-1	Articles of Incorporation of Exelon Corporation (Registration Statement No. 333-37082, Form S-4, Exhibit 3-1).
3-2	Bylaws of Exelon Corporation (Registration Statement No. 333-37082, Form S-4, Exhibit 3-2).
3-3	Amended and Restated Articles of Incorporation of PECO Energy Company.
3-4	Bylaws of PECO Energy Company, adopted February 26, 1990 and amended January 26, 1998 (File No. 1-01401, 1997 Form 10-K, Exhibit 3-2).
3-5	Restated Articles of Incorporation of Commonwealth Edison Company effective February 20, 1985, including Statements of Resolution Establishing Series, relating to the establishment of three new series of Commonwealth Edison Company preference stock known as the "$9.00 Cumulative Preference Stock," the "$6.875 Cumulative Preference Stock" and the "$2.425 Cumulative Preference Stock" (File No. 1-1839, 1994 Form 10-K, Exhibit 3-2).
3-6	Bylaws of Commonwealth Edison Company, effective September 2, 1998, as amended through October 20, 2000.
4-1	364-day Credit Agreement, dated as of December 19, 2000, among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, certain banks named therein as Lenders, Bank One, N.A., as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, Citibank, N.A., as Syndication Agent and Banc One Capital Markets, Inc., as Lead Arranger and Sole Book Runner.
4-2	Term Loan Agreement, dated as of October 13, 2000, among Exelon Corporation, as borrower, and certain banks named therein, Bank One, N.A., as Administrative Agent, Credit Suisse First Boston, as Documentation Agent, and Citibank, N.A., as Syndication Agent (File No. 1-16169, Report on Form 8-K dated October 20, 2000, Exhibit 99.2).
4-3	First and Refunding Mortgage dated May 1, 1923 between The Counties Gas and Electric Company (predecessor to PECO Energy Company) and Fidelity Trust Company, Trustee (First Union National Bank, successor), (Registration No. 2-2281, Exhibit B-1).

4-3-1 Supplemental Indentures to PECO Energy Company's First and Refunding Mortgage:

Dated as of	File Reference	Exhibit No.
May 1, 1927	2-2881	B-1(c)
March 1, 1937	2-2881	B-1(g)
December 1, 1941	2-4863	B-1(h)
November 1, 1944	2-5472	B-1(i)
December 1, 1946	2-6821	7-1(j)
September 1, 1957	2-13562	2(b)-17
May 1, 1958	2-14020	2(b)-18
March 1, 1968	2-34051	2(b)-24
March 1, 1981	2-72802	4-46
March 1, 1981	2-72802	4-47
December 1, 1984	1-01401, 1984 Form 10-K	4-2(b)
April 1, 1991	1-01401, 1991 Form 10-K	4(e)-76
December 1, 1991	1-01401, 1991 Form 10-K	4(e)-77
April 1, 1992	1-01401, March 31, 1992 Form 10-Q	4(e)-79
June 1, 1992	1-01401, June 30, 1992 Form 10-Q	4(e)-81
July 15, 1992	1-01401, June 30, 1992 Form 10-Q	4(e)-83
September 1, 1992	1-01401, 1992 Form 10-K	4(e)-85
March 1, 1993	1-01401, 1992 Form 10-K	4(e)-86
May 1, 1993	1-01401, March 31, 1993 Form 10-Q	4(e)-88
May 1, 1993	1-01401, March 31, 1993 Form 10-Q	4(e)-89
August 15, 1993	1-01401, Form 8-A dated August 19, 1993	4(e)-92
November 1, 1993	1-01401, Form 8-A dated October 27, 1993	4(e)-95
May 1, 1995	1-01401, Form 8-K dated May 24, 1995	4(e)-96

4-4 Exelon Dividend Reinvestment and Stock Purchase Plan.

4-5 Mortgage of Commonwealth Edison Company to Illinois Merchants Trust Company, Trustee (Harris Trust and Savings Bank, as current successor Trustee), dated July 1, 1923, Supplemental Indenture thereto dated August 1, 1944, and amendments and supplements thereto dated, respectively, August 1, 1946, April 1, 1953, March 31, 1967, April 1,1967, July 1, 1968, October 1, 1968, February 28, 1969, May 29, 1970, June 1, 1971, May 31, 1972, June 15, 1973, May 31, 1974, June 13, 1975, May 28, 1976, and June 3, 1977. (File No. 2-60201, Form S-7, Exhibit 2-1).

4-5-1 Supplemental Indentures to aforementioned Commonwealth Edison Mortgage.

Dated as of	File Reference	Exhibit No.
May 17, 1978	2-99665, Form S-3	4-3
August 31, 1978	2-99665, Form S-3	4-3
June 18, 1979	2-99665, Form S-3	4-3
June 20, 1980	2-99665, Form S-3	4-3
April 16, 1981	2-99665, Form S-3	4-3
April 30, 1982	2-99665, Form S-3	4-3
April 15, 1983	2-99665, Form S-3	4-3
April 13, 1984	2-99665, Form S-3	4-3
April 15, 1985	2-99665, Form S-3	4-3
April 15, 1986	33-6879, Form S-3	4-9
June 15, 1990	33-38232, Form S-3	4-12
June 1, 1991	33-40018, Form S-3	4-12
October 1, 1991	33-40018, Form S-3	4-13
October 15, 1991	33-40018, Form S-3	4-14
February 1, 1992	1-1839, 1991 Form 10-K	4-18
May 15, 1992	33-48542, Form S-3	4-14
July 15, 1992	33-53766, Form S-3	4-13
September 15, 1992	33-53766, Form S-3	4-14
February 1, 1993	1-1839, 1992 Form 10-K	4-14
April 1, 1993	33-64028, Form S-3	4-12
April 15, 1993	33-64028, Form S-3	4-13
June 15, 1993	1-1839, Form 8-K dated May 21, 1993	4-1

July 1, 1993	1-1839, Form 8-K dated May 21, 1993	4-2
July 15, 1993	1-1839, Form 10-Q for quarter ended June 30, 1993.	4-1
January 15, 1994	1-1839, 1993 Form 10-K	4-15
December 1, 1994	1-1839, 1994 Form 10-K	4-16
June 1, 1996	1-1839, 1996 Form 10-K	4-16

4-5-2 Instrument of Resignation, Appointment and Acceptance dated January 31, 1996, under the provisions of the Mortgage dated July 1, 1923, and Indentures Supplemental thereto (File No. 1-1839, 1995 Form 10-K, Exhibit 4-28).

4-5-3 Instrument dated as of January 31, 1996, for trustee under the Mortgage dated July 1, 1923 and Indentures Supplemental thereto (File No. 1-1839, 1995 Form 10-K, Exhibit 4-29).

4-6 Indentures of Commonwealth Edison Company to The First National Bank of Chicago, Trustee (Amalgamated Bank of Chicago, as current successor Trustee), dated April 1, 1949, October 1, 1949, October 1, 1950, October 1, 1954, January 1, 1958, January 1, 1959 and December 1, 1961 (File No. 1-1839, 1982 Form 10-K, Exhibit 4-20).

4-7 Indenture dated as of September 1, 1987 between Commonwealth Edison Company and Citibank, N.A., Trustee relating to Notes (File No. 1-1839, Form S-3, Exhibit 4-13).

4-7-1 Supplemental Indenture to Indenture dated September 1, 1987 dated July 14, 1989 (File No. 33-32929, Form S-3, Exhibit 4-16).

4-7-2 Supplemental Indenture to Indenture dated September 1, 1987, dated January 1, 1997 (File No. 1-1839, 1999 Form 10K, Exhibit 4-21).

4-7-3 Supplemental Indenture to Indenture dated September 20, 1987, dated September 1, 2000.

10-1 Stock Purchase Agreement among Exelon (Fossil) Holdings, Inc., as Buyer and The Stockholders of Sithe Energies, Inc., as Sellers, and Sithe Energies, Inc. (File No. 0-16844, PECO Energy Company Form 10-Q for the quarter ended September 30, 2000, Exhibit 10-1).

10-2 Amended and Restated Employment Agreement among Unicom Corporation, Commonwealth Edison Company and John W. Rowe (File No. 1-16169, Exelon Corporation Form 10-Q for the quarter ended September 30, 2000, Exhibit 10-2).

10-3	PECO Energy Company Deferred Compensation and Supplemental Pension Benefit Plan* (Registration Statement No. 333-49780, Form S-8, Exhibit 4-2).
10-4	PECO Energy Company Management Group Deferred Compensation and Supplemental Pension Benefit Plan* (Registration Statement No. 333-49780, Form S-8, Exhibit 4-3).
10-5	PECO Energy Company Unfunded Deferred Compensation Plan for Directors* (Registration Statement No. 333-49780, Form S-8, Exhibit 4-4).
10-6	Exelon Corporation Long-Term Incentive Plan (Registration Statement No. 333-37082, Post-Effective Amendment No. 1 to Form S-4, Exhibit 4-2). *
10-6-1	First Amendment to Exelon Corporation Long Term Incentive Plan.*
10-7	PECO Energy Company Management Incentive Compensation Plan* (File No. 1-01401, 1997 Proxy Statement, Appendix A).
10-8	PECO Energy Company 1998 Stock Option Plan* (Registration Statement No. 333-37082, Post-Effective Amendment No. 1 to Form S-4, Exhibit 4-3).
10-9	PECO Energy Company Employee Savings Plan (Registration Statement No. 333-37082, Post-Effective Amendment No. 1 to Form S-4, Exhibit 4-4)
10-10	Second Amended and Restated Trust Agreement for PECO Energy Transition Trust (File No. 333-58055, PECO Energy Transition Trust Report on Form 8-K dated May 2, 2000, Exhibit 4.1).
10-11	Intangible Transition Property Sale Agreement dated as of March 25,1999, as amended and restated as of May 2, 2000, between PECO Energy Transition Trust and PECO Energy Company. (File No. 333-58055, PECO Energy Transition Trust Report on Form 8-K dated May 2, 2000, Exhibit 10.1).
10-11-1	Amendment No. 1 to Intangible Transition Property Sale Agreement dated as of March 25, 1999, as amended and restated as of May 2, 2000 (File No. 1-01401, PECO Energy Company and PECO Energy Transition Trust Report on Form 8-K dated March 1, 2001).
10-12	Master Servicing Agreement dated as of March 25, 1999, as amended and restated as of May 2, 2000, between PECO Energy Transition Trust and PECO Energy Company. (File No. 333-58055, PECO Energy Transition Trust Current Report on Form 8-K dated May 2, 2000, Exhibit 10.2).
10-12-1	Amendment No. 1 to Master Servicing Agreement dated as of March 25, 1999, as amended and restated as of May 2, 2000 (File No. 1-01401, PECO Energy Company and PECO Energy Transition Trust Report on Form 8-K dated March 1, 2001).
10-13	Joint Petition for Full Settlement of PECO Energy Company's Restructuring Plan and Related Appeals and Application for a Qualified Rate Order and Application for Transfer of Generation Assets dated April 29, 1998. (Registration Statement No. 333-58055, Exhibit 10.3).

10-14 Joint Petition for Full Settlement of PECO Energy Company's Application for Issuance of Qualified Rate Order Under Section 2812 of the Public Utility Code dated March 8, 2000 (Amendment No. 1 to Registration Statement No. 333-31646, Exhibit 10.4).

10-15 Unicom Corporation Amended and Restated Long-Term Incentive Plan* (File No. 1-11375, Unicom Proxy Statement dated April 7, 1999, Exhibit A).

10-15-1 First Amendment to Unicom Corporation Amended and Restated Long Term Incentive Plan* (Registration Statement No. 333-49780, Form S-8, Exhibit 4-8).

10-15-2 Second Amendment to Unicom Corporation Amended and Restated Long Term Incentive Plan* (Registration Statement No. 333-49780, Form S-8, Exhibit 4-9).

10-16 Unicom Corporation General Provisions Regarding 1996 Stock Option Awards Granted under the Unicom Corporation and Long-Term Incentive Plan* (File Nos. 1-11375 and 1-1839, 1996 Form 10-K, Exhibit 10-9).

10-17 Unicom Corporation General Provisions Regarding 1996B Stock Option Awards Granted under the Unicom Corporation Long-Term Incentive Plan* (File Nos. 1-11375 and 1-1839, 1996 Form 10-K, Exhibit 10-8).

10-18 Unicom Corporation General Provisions Regarding Stock Option Awards Granted under the Unicom Corporation Long-Term Incentive Plan* (Effective July 10, 1997).

10-19 Unicom Corporation Deferred Compensation Unit Plan, as amended* (File Nos. 1-11375 and 1-1839, 1995 Form 10-K, Exhibit 10-12).

10-20 Commonwealth Edison Deferred Compensation Plan* (included in Article Five of Exhibit 3-5 above).

10-21 Unicom Corporation Retirement Plan for Directors, as amended* (Registration Statement No. 333-49780, Form S-8, Exhibit 4-12).

10-22 Commonwealth Edison Company Retirement Plan for Directors, as amended* (Registration Statement No. 333-49780, Form S-8, Exhibit 4-13).

10-23 Unicom Corporation 1996 Directors' Fee Plan* (File No. 1-11375, Unicom Proxy Statement dated April 8, 1996, Appendix A).

10-23-1 Second Amendment to Unicom Corporation 1996 Directors Fee Plan* (Registration Statement No. 333-49780, Form S-8, Exhibit 4-11).

10-24 Employment Agreement dated November 1, 1997 between Commonwealth Edison Company and Oliver D. Kingsley, Jr. (File Nos. 1-11375 and 1-1839, 1998 Form 10-K, Exhibit 10-22).

10-25 Change in Control Agreement between Unicom Corporation, Commonwealth Edison Company and certain senior executives (File Nos. 1-11375 and 1-1839, 1998 Form 10-K, Exhibit 10-24).

10-25-1 Forms of Change in Control Agreement Between PECO Energy Company and Certain Employees.

10-26 Commonwealth Edison Company Executive Group Life Insurance Plan* (File No. 1-1839, 1980 Form 10-K, Exhibit 10-3).

10-26-1 Amendment to the Commonwealth Edison Company Executive Group Life Insurance Plan* (File No. 1-1839, 1981 Form 10K, Exhibit 10-4).

10-26-2	Amendment to the Commonwealth Edison Company Executive Group Life Insurance Plan dated December 12, 1986* (File No. 1-1839, 1986 Form 10-K, Exhibit 10-6).
10-26-3	Amendment to the Commonwealth Edison Company Executive Group Life Insurance Plan to implement program of "split dollar life insurance" dated December 13, 1990* (File No. 1-1839, 1990 Form 10-K, Exhibit 10-10).
10-26-4	Amendment to Commonwealth Edison Company Executive Group Life Insurance Plan to stabilize the death benefit applicable to participants dated July 22, 1992* (File No. 1-1839, 1992 Form 10-K, Exhibit 10-13).
10-27	Commonwealth Edison Company Supplemental Management Retirement Plan* (File No. 1-1839, 1998 Form 10-K, Exhibit 10-29).
10-27-1	First Amendment to the Commonwealth Edison Company Supplemental Management Retirement Plan.*
10-28	Commonwealth Edison Company Excess Benefit Savings Plan* (File No. 1-1839, Form 10-Q for the quarter ended September 30, 1998, Exhibit 10-1).
10-28-1	Amendment No. 1 to Commonwealth Edison Company Excess Benefit Savings Plan dated May 24, 1995* (File No. 1-1839, 1995 Form 10-K, Exhibit 10-30).
10-28-2	Amendment No. 2 to Commonwealth Edison Company Excess Benefit Savings Plan effective as of September 1, 1997* (File No. 1-1839, 1997 Form 10-K, Exhibit 10-34).
10-29	Commonwealth Edison Company Savings and Investment Plan* (Registration Statement No. 333-10613, Form S-8, Exhibit 4-4).
10-29-1	Amendment Nos. 1 through 6 to Commonwealth Edison Employee Savings and Investment Plan* (Registration Statement No. 333-49780, Form S-8, Exhibit 4-15).
10-30	Unicom Corporation Stock Bonus Deferral Plan* (File Nos. 1-11375 and 1-1839, Form 10-Q for the quarter ended September 30, 1998, Exhibit 10-3).
10-30-1	First Amendment to the Unicom Corporation Stock Bonus Deferral Plan.*
10-30-2	Second Amendment to the Unicom Corporation Stock Bonus Deferral Plan.*
10-31	Form of Stock Award Agreement under the Unicom Corporation Long-Term Incentive Plan* (File Nos. 1-11375 and 1-1839, 1997 Form 10-K, Exhibit 10-37).
10-32	Amended and Restated Key Management Severance Plan for Unicom Corporation and Commonwealth Edison Company dated March 8, 1999* (File No. 1-1839, 1999 Form 10-K, Exhibit 10-38).
10-32-1	First Amendment to the Amended and Restated Key Management Severance Plan.*
16	Arthur Andersen Letter to Securities and Exchange Commission regarding the change in certifying accountant (File No. 1-01839, Exelon Corporation Report on Form 8-K dated November 28, 2000, Exhibit 16).

18-1	Letter from PricewaterhouseCoopers LLP addressed to Exelon Corporation concerning a change in accounting principles.
18-2	Letter from PricewaterhouseCoopers LLP addressed to PECO Energy Company concerning a change in accounting principles.
21	Subsidiaries
	21-1 Exelon Corporation 21-2 PECO Energy Company 21-3 Commonwealth Edison Company
23	Consent of Independent Accountants
	23-1 Exelon Corporation 23-2 PECO Energy Company 23-3-1 Commonwealth Edison Company 23-3-2 Commonwealth Edison Company
99	Exelon Corporation's Current Report on Form 8-K dated March 16, 2001, File No. 1-16169.

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* Compensatory plan or arrangements in which directors or officers of the applicable registrant participate and which are not available to all employees.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Chicago and State of Illinois on the 30 day of March, 2001.

EXELON CORPORATION

By: /s/ Corbin A. McNeill, Jr.

Name: Corbin A. McNeill, Jr.
Title: Chairman and Co-Chief Executive Officer

By: /s/ John W. Rowe

Name: John W. Rowe
Title: President and Co-Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities indicated on the 30 day of March, 2001.

Signature	Title
/s/ Corbin A. McNeill, Jr. - ---------- Corbin A. McNeill, Jr.	Chairman and Co-Chief Executive Officer and Director (Co-Chief Executive Officer)
/s/ John W. Rowe - ---------- John W. Rowe	President and Co-Chief Executive Officer and Director (Co-Chief Executive Officer)

This annual report has also been signed below by Corbin A. McNeill, Jr. and John W. Rowe, Attorneys-in-Fact, on behalf of the following Directors on the date indicated:

EDWARD A. BRENNAN	RICHARD H. GLANTON
CARLOS H. CANTU	ROSEMARIE B. GRECO
DANIEL L. COOPER	EDGAR D. JANNOTTA
M. WALTER D'ALESSIO	JOHN M. PALMS, PH.D.
BRUCE DEMARS	JOHN W. ROGERS, JR.
G. FRED DIBONA, JR.	RONALD RUBIN
SUE L. GIN	RICHARD L. THOMAS

By: /s/ Corbin A. McNeill, Jr. March 30, 2001

Name: Corbin A. McNeill, Jr.
Title: Chairman and Co-Chief Executive Officer

By: /s/ John W. Rowe March 30, 2001

Name: John W. Rowe
Title: President and Co-Chief Executive Officer

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Philadelphia and Commonwealth of Pennsylvania on the 30th day of March, 2001.

PECO ENERGY COMPANY

By: /s/ Corbin A. McNeill, Jr.

Name: Corbin A. McNeill, Jr.
Title: President, Co-Chief Executive Officer and Chairman

By: /s/ John W. Rowe

Name: John W. Rowe
Title: Co-Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 30th day of March, 2001.

Signature	Title
/s/ Corbin A. McNeill, Jr - --- Corbin A. McNeill, Jr.	President, Co-Chief Executive Officer and Chairman
/s/ John W. Rowe - --- John W. Rowe	Co-Chief Executive Officer
/s/ Pamela B. Strobel - --- Pamela B. Strobel	Director
/s/ Ruth Ann M. Gillis - --- Ruth Ann M. Gillis	Director
/s/ Kenneth G. Lawrence - --- Kenneth G. Lawrence	Director

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Chicago and State of Illinois on the 30th day of March, 2001.

COMMONWEALTH EDISON COMPANY

By: /s/ John W. Rowe

Name: John W. Rowe
Title: President, Co-Chief Executive Officer and Chairman

By: /s/ Corbin A. McNeill, Jr.

Name: Corbin A. McNeill, Jr.
Title: Co-Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 30th day of March, 2001.

Signature	Title
/s/ John W. Rowe - --- John W. Rowe	President, Co-Chief Executive Officer and Chairman
/s/ Corbin A. McNeill, Jr - --- Corbin A. McNeill, Jr.	Co-Chief Executive Officer
/s/ Pamela B. Strobel - --- Pamela B. Strobel	Director
/s/ Ruth Ann M. Gillis - --- Ruth Ann M. Gillis	Director
/s/ Kenneth G. Lawrence - --- Kenneth G. Lawrence	Director

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
PECO ENERGY COMPANY

ARTICLE I. The name of the Corporation is:

PECO ENERGY COMPANY

ARTICLE II. The address of the registered office of the Corporation in this Commonwealth is:

2301 Market Street
Philadelphia, Pennsylvania 19101

ARTICLE III. The purpose or purposes for which the Corporation is incorporated under the Business Corporation Law of the Commonwealth of Pennsylvania are to engage in, and do any lawful act concerning, any or all lawful business for which corporations may be incorporated under said Business Corporation Law, including but not limited to:

(1) The supply of light, heat or power to the public by any means.

(2) The production, generation, manufacture, transmission, transportation, storage, distribution or furnishing of natural or artificial gas, electricity or steam or air conditioning or refrigerating service, or any combination thereof to or for the public.

(3) The diverting, pumping or impounding of water for the development or furnishing of hydroelectric power to or for the public.

(4) Manufacturing, processing, owning, using and dealing in personal property of every class or description, engaging in research and development, the furnishing of services, and acquiring, owning, using and disposing of real property of every nature whatsoever.

ARTICLE IV.
CAPITAL STOCK

The aggregate number of shares which the Corporation shall have authority to issue is 515,000,000 shares, divided into 500,000,000 shares of Common

Stock, without par value (hereinafter called the "Common Stock"), and 15,000,000 shares of Series Preferred Stock, without par value (hereinafter called the "Preferred Stock"). The board of directors shall have the full authority permitted by law to determine the voting rights, if any, and designations, preferences, limitations, and special rights of any class or any series of any class of the Preferred Stock that may be desired to the extent not determined by the articles.

The following is a statement of the voting rights, designations, preferences, limitations, and the special rights granted to or imposed upon the Common Stock and the Preferred Stock:

PART 1
PREFERRED STOCK

DIVISION A
GENERAL PROVISIONS

Section 401. Issuance of Preferred Stock in Series. The shares of the Preferred Stock may be divided into and issued in series, from time to time, as provided in this division, each of such series to be distinctly designated. All shares of the Preferred Stock of all series shall be of equal rank and all shares of any particular series of the Preferred Stock shall be identical except as to the date or dates from which dividends thereon shall he cumulative as provided in Section 402. The shares of the Preferred Stock of different series may vary as to the following terms, which shall be fixed in the case of each such series, at any time prior to the issuance of the shares thereof, in the manner provided by law:

(1) The annual dividend rate or rates for the particular series and the date from which dividends shall be cumulative on all shares of such series issued prior to the record date for the first dividend for such series;

(2) The redemption price or prices, if any, for and any special terms and conditions applicable to the redemption of the particular series;

(3) The amount or amounts per share for the particular series payable to the holders thereof upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, which may be different for voluntary and involuntary liquidation, dissolution or winding up;

(4) The terms and amount of any sinking fund provided for the purchase or redemption of shares of the particular series; and

(5) The conversion, participating or other special rights, and the

qualifications, limitations or restrictions thereof, if any, of the particular series, including any features necessary or customarily incident to the issue and reissue of series having auction or other variable annual dividend rates.

Section 402. Dividend Rights and Preferences.

(A) The holders of each series of the Preferred Stock at the time outstanding shall be entitled to receive, but only when and as declared by the board of directors, out of funds legally available for payment of dividends, cumulative preferential dividends, at the annual dividend rate for the particular series fixed therefor as provided in this part, payable quarterly on the first days of February, May, August and November in each year, to shareholders of record on the respective dates, not exceeding 40 days preceding such dividend payment dates, fixed for the purpose by the board of directors. No dividends shall be declared on any series of the Preferred Stock in respect of any quarterly dividend period unless there shall likewise be declared on all shares of all series of the Preferred Stock at the time outstanding, like proportionate dividends, ratably, in proportion to the respective annual dividend rates fixed therefor, in respect of the same quarterly dividend period, to the extent that such shares are entitled to receive dividends for such quarterly dividend period. The dividends on shares of all series of the Preferred Stock shall be cumulative. In the case of all shares of each particular series, the dividends on shares of such series shall be cumulative:

(1) if issued prior to the record date for the first dividend on the shares of such series, then from the date for the particular series fixed therefor as provided in this part;

(2) if issued during the period commencing immediately after a record date for a dividend and terminating at the close of the payment date for such dividend, then from such dividend payment date; and

(3) otherwise from the quarterly dividend payment date next preceding the date of issue of such shares;

so that unless dividends on all outstanding shares of each series of the Preferred Stock, at the annual dividend rate and from the dates for accumulation thereof fixed as provided in this part shall have been paid for all past quarterly dividend periods, but without interest on cumulative dividends, no dividends shall be paid or declared and no other distribution shall be made on the Common Stock, and no Common Stock shall be purchased or otherwise acquired for value by the Corporation. The holders of the Preferred Stock of any series shall not be entitled to receive any dividends thereon other than the dividends referred to in this section.

(B) Notwithstanding Subsection (A), the annual dividend rate of a series of the Preferred Stock may vary from time to time dependent upon facts ascertainable outside of these articles of incorporation if the manner in which the facts will operate to fix or change the dividend rate is set forth in the express terms of the series or upon terms incorporated by reference to an existing agreement between the Corporation and one or more other parties or to another document of independent significance, interest or other compensation may be payable with respect to cumulative dividend arrearages and the dividend payment dates of a series having auction or other variable annual dividend rates may vary from time to time as provided by or pursuant to the express

terms of the series by not more than 47 days before or after the fixed dividend payment dates provided in Subsection (A).

(C) So long as any shares of the Preferred Stock of any series are outstanding, the Corporation shall not pay any dividends on or make any other distribution to the holders of shares of its Common Stock if after giving effect to such payment or distribution the capital of the Corporation represented by its Common Stock together with its surplus as then stated on its books of account shall in the aggregate be less than the involuntary liquidating value of its outstanding Preferred Stock.

Section 403. Redemption.

(A) General Rule. Unless prohibited or restricted in the express terms of the affected series of the Preferred Stock, the Corporation, by action of its board of directors, may redeem the whole or any part of any series of the Preferred Stock, at any time or from time to time, at the redemption price of the shares of the particular series fixed therefor as provided in this part, together with a sum in the case of each share of each series so to be redeemed, computed at the annual dividend rate for the series of which the particular share is a part from the date from which dividends on such share became cumulative to the date fixed for such redemption, less the aggregate of the dividends theretofore or on such redemption date paid thereon or declared and set aside for payment thereon.

(B) Notice. Notice of every such redemption shall be given by publication at least once in a daily newspaper printed in the English language and of general circulation in the city of Philadelphia, Pennsylvania, and in a daily newspaper printed in the English language of national circulation, the first publication in such newspapers to be at least 30 days and not more than 90 days prior to the date fixed for such redemption. At least 30 days' and not more than 90 days' previous notice of every such redemption shall also be mailed to the holders of record of the shares of the Preferred Stock so to be redeemed, at their respective addresses as the same shall appear on the books of the Corporation; but no failure to mail such notice nor any defect therein or in the mailing thereof shall affect the validity of the proceedings for the redemption of any shares of the Preferred Stock so to be redeemed.

(C) Partial Redemption. In case of the redemption of a part only of any series of the Preferred Stock at the time outstanding, the Corporation shall select by lot or pro rata, in such manner as the board of directors may determine, the shares so to be redeemed, unless another method of selection is required or authorized by the express terms of the series. The board of directors shall have full power and authority, subject to the limitations and provisions contained in this part, to prescribe the manner in which and the terms and conditions upon which the shares of the Preferred Stock shall be redeemed from time to time.

(D) Effect of Redemption. If such notice of redemption shall have been duly given by publication, and if on or before the redemption date specified in such notice all funds necessary for such redemption shall have been set aside by the Corporation,

separate and apart from its other funds, in trust for the account of the holders of the shares to be redeemed, so as to be and continue to be available therefor, then, notwithstanding that any certificate for such shares so called for redemption shall not have been surrendered for cancellation, from and after the date fixed for redemption, the shares represented thereby shall no longer be deemed outstanding, the right to receive dividends thereon shall cease to accrue and all rights with respect to such shares so called for redemption shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive, out of the funds so set aside in trust, the amount payable upon redemption thereof, without interest, except that the Corporation may, after giving notice by publication of any such redemption as provided in Subsection (B) or after giving to the bank or trust company referred to in this subsection irrevocable authorization to give such notice by publication, and, at any time prior to the redemption date specified in such notice, deposit in trust, for the account of the holders of the shares to be redeemed, funds necessary for such redemption with a bank or trust company in good standing, organized under the laws of the United States of America or of the Commonwealth of Pennsylvania, doing business in the city of Philadelphia, Pennsylvania, having capital, surplus and undivided profits aggregating at least the greater of $2,000,000 or two times the amount of such deposit, designated in such notice of redemption, and, upon such deposit in trust, all shares with respect to which such deposit shall have been made shall no longer be deemed to be outstanding, and all rights with respect to such shares shall forthwith cease and terminate, except only the right of the holders thereof to receive, out of the funds so deposited in trust, from and after the date of such deposit, the amount payable upon the redemption thereof, without interest. Notice of such right shall be included in the notice of redemption provided for in Subsection (B).

(E) Purchase Rights Unaffected. Nothing contained in this section shall limit any legal right of the Corporation to purchase or otherwise acquire any shares of the Preferred Stock at not exceeding the price at which the same may be redeemed.

(F) Status of Reacquired Shares. All or any shares of the Preferred Stock at any time redeemed, purchased or acquired by the Corporation may thereafter, in the discretion of the board of directors, be reissued or otherwise disposed of at any time or from time to time to the extent and in the manner then permitted by law, subject, however, to the limitations imposed in this part upon the issue of Preferred Stock or upon the reissue of the shares of any particular series, or may be restored to the status of authorized but unissued shares.

Section 404. Liquidation Rights and Preferences. Before any amount shall be paid to, or any assets distributed among, the holders of Common Stock upon any liquidation, dissolution or winding up of the Corporation, the holders of each series of the Preferred Stock at the time outstanding shall be entitled to be paid in cash the amount for the particular series fixed therefor as provided in this part, together with a sum in the case of each such share of each series, computed at the annual dividend rate for the series of which the particular share is a part, from the date from which dividends on such share became cumulative to the date fixed for the payment of such distributive amount, less the aggregate of the dividends theretofor or on such date paid

thereon or declared and set aside for payment thereon; but no payments on account of such distributive amounts shall be made to the holders of any series of the Preferred Stock unless there shall likewise be paid at the same time to the holders of each other series of the Preferred Stock at the time outstanding like proportionate distributive amounts, ratably, in proportion to the full distributive amounts to which they are respectively entitled as provided in this part. The holders of the Preferred Stock of any series shall not be entitled to receive any amounts with respect thereto upon any liquidation, dissolution or winding up of the Corporation other than the amounts referred to in this section. Neither the consolidation or merger of the Corporation with or into any other corporation or corporations, nor the consummation of any plan of share exchange, nor the sale or transfer by the Corporation of all or any part of its assets, by division or otherwise, shall be deemed to be a liquidation, dissolution or winding up of the Corporation for the purposes of this section.

Section 405. Restrictions on Corporate Action.

(A) Actions Requiring Two-Thirds Vote. So long as any shares of the Preferred Stock of any series are outstanding, the Corporation shall not, without the consent (given in writing or by vote at a meeting called for that purpose in accordance with the provisions of Section 407(A)) of the holders of shares of the Preferred Stock of all series then outstanding entitled to cast at least two-thirds of the votes which all holders of Preferred Stock of all series then outstanding are entitled to cast thereon:

(1) Create or authorize any kind of stock (other than a series of the Preferred Stock) ranking prior to or on a parity with the Preferred Stock, or create or authorize any obligation or security convertible into shares of stock of any such kind; or

(2) Amend, alter, change or repeal any of the express terms of the Preferred Stock or of any series of the Preferred Stock then outstanding in a manner prejudicial to the holders thereof, except that if any such amendment, alteration, change or repeal would be prejudicial to the holders of one or more, but not all, of the series of the Preferred Stock at the time outstanding, only such consent of the holders of shares of all series so affected entitled to cast at least two-thirds of the votes which all holders of shares of all series so affected then outstanding are entitled to cast thereon shall be required; or

(3) Issue any additional shares of any series of the Preferred Stock, unless the net earnings of the Corporation applicable to the payment of dividends on the Preferred Stock, and unless the net income before interest charges on its indebtedness in each instance after provision for depreciation and taxes determined in accordance with generally accepted accounting principles, for any 12 consecutive calendar months within the 15 calendar months immediately preceding the calendar month within which such additional shares of stock shall be issued, shall, respectively, have been at least two times the dividend requirements for a 12-month period upon the entire amount of the Preferred Stock to be outstanding immediately after the proposed issue of such additional shares of Preferred Stock (such dividend requirements to be

determined, in the case of outstanding Preferred Stock having auction or other variable annual dividend rates, at the dividend rate in each case in effect immediately before the proposed issue, and in the case of additional shares of Preferred Stock having auction or other variable annual dividend rates to be outstanding immediately after the proposed issue of such additional shares of Preferred Stock, at the initial dividend rate for such additional shares) and at least one and one-half times the aggregate of such dividend requirements and of the interest charges for said period on the entire amount of the indebtedness to be likewise outstanding (such interest requirements to be determined, in the case of outstanding indebtedness having auction or other variable annual interest rates, at the interest rate in each case in effect immediately before the proposed issue); but excluding from each of the foregoing computations interest charges on all indebtedness which is to be retired through the issue of such additional shares of Preferred Stock; or

(4) Issue any additional shares of any series of the Preferred Stock, unless the capital of the Corporation represented by its Common Stock together with its surplus as then stated on its books of account shall in the aggregate be at least equal to the involuntary liquidating value of the Preferred Stock to be outstanding immediately after the proposed issue of such additional shares of Preferred Stock.

(B) Increases in Authorized Amount of Preferred Stock. So long as any shares of the Preferred Stock of any series are outstanding, the Corporation shall not, without the consent (given in writing or by vote at a meeting called for that purpose in accordance with the provisions of Section 407(A)) of the holders of the Preferred Stock of all series then outstanding entitled to cast at least a majority of the votes which all holders of Preferred Stock of all series then outstanding are entitled to cast thereon, increase the total authorized amount of the Preferred Stock of all series. Except as otherwise provided in the express terms of any series of the Preferred Stock, the number of authorized shares of the Preferred Stock of any series may be increased without the vote or consent of the holders of the outstanding shares of the series affected, subject to the aggregate limit imposed by this article on the authorized number of shares of the Preferred Stock of all series.

(C) Mergers and Other Fundamental Transactions. So long as any shares of the Preferred Stock of any series are outstanding, the Corporation shall not, without the consent (given by a vote at a meeting called for that purpose in accordance with the provisions of Section 407(A)) of the holders of the Preferred Stock of all series present or represented by proxy at such meeting, at which meeting a quorum as provided in Subsection (D) shall be present or represented by proxy, entitled to cast at least a majority of the votes which all holders of Preferred Stock of all series present or represented by proxy at such meeting are entitled to cast thereon, merge or consolidate with or into any other corporation or corporations, or divide, unless such merger, consolidation or division, or the issuance and assumption of all securities to be issued or assumed in connection with any such merger or consolidation, shall have been ordered, exempted, approved or permitted by the Securities and Exchange Commission under the provisions of the Public Utility Holding Company Act of 1935 or by any

successor commission or regulatory authority of the United States of America having jurisdiction in the premises. The provisions of this subsection shall not apply to consummation of a plan of share exchange which does not affect holders of the Preferred Stock, or to a purchase or other acquisition by the Corporation of franchises or assets of another corporation in any manner which does not involve a statutory merger or consolidation, or to a merger of any corporation with and into the Corporation or to a division pursuant to any provision of law which authorizes the Corporation without shareholder action to be the surviving party to a statutory merger or division if the terms of the merger or division do not alter any provision of the articles of the Corporation (except changes that under applicable law and these articles of incorporation may be made without shareholder action) nor otherwise affect its outstanding shares.

(D) Quorum. For the purposes of Subsection (C), the presence in person or by proxy of the holders of the Preferred Stock of all series then issued and outstanding entitled to cast at least a majority of the votes which all holders of Preferred Stock of all series then issued and outstanding are entitled to cast shall be necessary to constitute a quorum, except that, if such quorum shall not have been obtained at such meeting or at any adjournment thereof within 30 days from the date of such meeting as originally called, the presence in person or by proxy of the holders of the Preferred Stock of all series then issued and outstanding entitled to cast at least one-third of the votes which all holders of Preferred Stock of all series then issued and outstanding are entitled to cast shall then be sufficient to constitute a quorum. In the absence of a quorum, such meeting or any adjournment thereof may be adjourned by the officer or officers of the Corporation who shall have called the meeting from time to time (but at intervals of not less than seven days unless all shareholders present or represented by proxy shall agree to a shorter interval) without notice other than announcement at the meeting until a quorum as provided in this subsection shall be present or represented by proxy. Nothing in this subsection shall prevent the application to the Corporation of any provision of law reducing or eliminating the quorum required at a meeting of shareholders which has been previously adjourned because of an absence of a quorum.

Section 406. Voting Rights.

(A) General Rule. Each holder of Preferred Stock shall have the right to vote in the election of directors of the Corporation. The holders of the Preferred Stock shall have no other right to vote and shall not be entitled to notice of any meeting of shareholders of the Corporation nor to participate in any such meeting except as otherwise expressly provided in this section and except for those purposes, if any, for which said rights cannot be denied or waived under some mandatory provision of law which shall be controlling. In any matter for which holders of Preferred Stock are entitled to vote, each holder of Preferred Stock of each series shall be entitled to one vote or fraction thereof, for each $100 or fraction thereof, of involuntary liquidating value represented by the shares of Preferred Stock of such series held by each such holder.

(B) Voting Upon Default in Dividends. If and when dividends payable on the Preferred Stock shall be in default in an amount equivalent to four full quarterly

dividends on all shares of all series of the Preferred Stock then outstanding, and until all dividends then in default shall have been paid or declared and set apart for payment, in lieu of the voting rights set forth in Section 406(A) above, the holders of all shares of the Preferred Stock, voting separately as one class, shall be entitled to elect the smallest number of directors necessary to constitute a majority of the full board of directors, and the holders of the Common Stock shall be entitled to elect the remaining directors of the Corporation. The terms of office of all persons who may be directors of the Corporation at the time shall terminate upon the election of a majority of the board of directors by the holders of the Preferred Stock, whether or not the holders of the Common Stock having voting rights for the election of directors generally, shall then have elected the remaining directors of the Corporation.

(C) Defeasance of Special Voting Rights. If and when all dividends then in default on the Preferred Stock then outstanding shall have been paid or declared and set apart for payment (and such dividends shall be declared and paid out of any funds legally available therefor as soon as reasonably practicable), the Preferred Stock shall thereupon be divested of any special right with respect to the election of directors provided in Subsection (B), the voting power of the Preferred Stock and the Common Stock shall revert to the status existing before the occurrence of such default; but always subject to the same provisions for vesting such special rights in the Preferred Stock in case of further like default or defaults in dividends thereon. Upon the termination of any such special right upon payment or setting apart for payment of all accumulated and defaulted dividends on such Preferred Stock, the terms of office of all persons who may have been elected directors of the Corporation by vote of the holders of the Preferred Stock, as a class, pursuant to such special right shall forthwith terminate, and the resulting vacancies shall be filled by the vote of a majority of the remaining directors.

(D) Vacancies During Special Voting Rights Periods. In the case any vacancy in the office of a director occurring among the directors elected by the holders of Preferred Stock, as a class, pursuant to the provisions of Subsection (B), the remaining directors elected by the holders of Preferred Stock may elect, by affirmative vote of a majority thereof, or the remaining director so elected if there be but one may elect, a successor or successors to hold office for the unexpired term of the director or directors whose place or places shall be vacant. Likewise, except as otherwise provided by the express terms of any series thereof as to directors which are not then elected by the Preferred Stock, in case of any vacancy in the office of a director occurring among the directors elected by the holders of Common Stock pursuant to the provisions of Subsection (B), the remaining directors elected by the holders of the Common Stock may elect, by affirmative vote of a majority thereof, or the remaining director so elected if there be but one, may elect a successor or successors to hold office for the unexpired term of the director or directors whose place or places shall be vacant.

(E) Special Meetings of the Holders of Preferred Stock. Whenever under the provisions of Subsection (B), the right shall have accrued to the holders of the Preferred Stock to elect a majority of directors, the board of directors shall within ten days after delivery to the Corporation at its principal office of a request to such effect signed by

any holder of Preferred Stock entitled to vote, call a special meeting of all shareholders to be held within 40 days from the delivery of such request for the purpose of electing a majority of directors. At all meetings of shareholders held for the purpose of electing such directors during such times as the holders of shares of the Preferred Stock shall have the special right, voting separately as one class, to elect directors pursuant to Subsection (B), the presence in person or by proxy of the holders of Common Stock entitled to cast at least a majority of the votes which all holders of Common Stock then issued and outstanding are entitled to cast, shall be required to constitute a quorum of such class or classes for the election of directors, and the presence in person or by proxy of the holders of shares of all series of the Preferred Stock entitled to cast at least a majority of the votes which all holders of Preferred Stock of all series then issued and outstanding are entitled to cast shall be required to constitute a quorum of such class for the election of directors, except that the absence of a quorum of the holders of stock of either such class or classes shall not prevent the election at any such meeting or adjournment thereof of directors by the other such class or classes if the necessary quorum of the holders of stock of such class or classes is present in person or by proxy at such meeting. In the absence of a quorum of the holders of stock of either such class or classes, those holders of the stock of such class or classes who are present in person or by proxy entitled to cast at least a majority of the votes which all holders of the stock of such class or classes who are present in person or by proxy are entitled to cast shall have power to adjourn the election of the directors to be elected by such class or classes from time to time without notice other than announcement at the meeting until the requisite amount of holders of such class or classes shall be present in person or by proxy, but such adjournment shall not be made to a date beyond the date for the mailing of notice of the next annual meeting of the Corporation or special meeting in lieu thereof. Nothing in this subsection shall prevent the application to the Corporation of any provision of law reducing or eliminating the quorum required at a meeting of shareholders which has been previously adjourned because of an absence of a quorum.

(F) Relative Voting Rights as Between Series of the Preferred Stock. Except when some mandatory provision of law shall be controlling and except as otherwise provided in Section 405(A)(2) and, as regards the special rights of any series of the Preferred Stock, as provided in the express terms of such series, whenever shares of two or more series of the Preferred Stock are outstanding, no particular series of the Preferred Stock shall be entitled to vote as a separate series on any matter and all shares of the Preferred Stock of all series shall be deemed to constitute but one class for any purpose for which a vote of the shareholders of the Corporation by classes may be required.

(G) General Powers of Corporation Unaffected. From time to time and without limitation of other rights and powers of the Corporation as provided by law, the Corporation may reclassify its capital stock and may create or authorize one or more classes or kinds of stock ranking prior to or on a parity with or subordinate to the Preferred Stock or may increase the authorized amount of the Preferred Stock or the Common Stock or of any other class of stock of the Corporation or may amend, alter, change or repeal any of the rights, privileges, terms and conditions of the Preferred

Stock or of any series thereof then outstanding or of the Common Stock or of any other class of stock of the Corporation, upon the affirmative vote, given at a meeting called for that purpose in accordance with law, of shareholders then entitled to cast thereon at least a majority of the votes which all shareholders voting thereon in person or by proxy are then entitled to cast thereon or upon such other vote of its shareholders then entitled to vote thereon as may then be provided by law.

Section 407. Meetings of Holders of Preferred Stock. Notice of any meeting of the holders of Preferred Stock or any series thereof (except for notices relating to the election of directors, which notices shall be as set forth in the Corporation's Bylaws), required or authorized under this part or by law, setting forth the purpose or purposes of such meeting, shall be mailed by the Corporation, not less than ten days prior to such meeting, to all holders of Preferred Stock (at their respective addresses appearing on the books of the Corporation) entitled to vote thereat of record as of a date fixed by the board of directors of the Corporation, not exceeding 90 days in advance of such meeting, for the purpose of determining the shareholders entitled to notice of and to vote at such meeting, unless such notice shall have been waived, either before or after the holding of such meeting, by all holders of Preferred Stock entitled to notice thereof and to vote thereat. Any action authorized to be taken at a meeting called for that purpose in accordance with the provisions of this subsection may be taken either at a special meeting, or at any regular or annual meeting if notice of such proposed action is included in the notice of such regular or annual meeting.

Section 408. Effective Date of Amendments to Part. Any amendment to this part which requires governmental approval under 66 Pa.C.S. Ch. 19 (relating to securities and obligations) or any superseding provision of law shall take effect upon receipt of such governmental approval.

DIVISION B
VARIATIONS AMONG SERIES OF PREFERRED STOCK

Section 421. $4.40 Preferred Stock (Series 1). The terms of the "$4.40 Preferred Stock (Series 1)" may vary from shares of other series of the Preferred Stock as follows: the dividend rate shall be $4.40 per annum; the redemption price shall be $112.50 per share; $100 per share shall be payable upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation. The number of shares of this series authorized is 274,720 shares.

Section 422. $3.80 Preferred Stock (Series 2). The terms of the "$3.80 Preferred Stock (Series 2)" may vary from shares of other series of the Preferred Stock as follows: the dividend rate shall be $3.80 per annum; the redemption price shall be $106 per share; $100 per share shall be payable upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation. The number of shares of this series authorized is 300,000 shares.

Section 423. $4.30 Preferred Stock (Series 3). The terms of the "$4.30 Preferred Stock (Series 3)" may vary from shares of other series of the Preferred Stock as follows: the dividend rate shall be $4.30 per annum; the redemption price shall be $102 per share; $100 per share shall be payable upon any involuntary liquidation, dissolution or winding up of the Corporation, and upon any voluntary liquidation, dissolution or winding up of the Corporation $102 per share shall be payable. The number of shares of this series authorized is 150,000 shares.

Section 424. $4.68 Preferred Stock (Series 4). The terms of the "$4.68 Preferred Stock (Series 4)" may vary from shares of other series of the Preferred Stock as follows: the dividend rate shall be $4.68 per annum; the redemption price shall be $104 per share; $100 per share shall be payable upon any involuntary liquidation, dissolution or winding up of the Corporation, and upon any voluntary liquidation, dissolution or winding up of the Corporation $104 per share shall be payable. The number of shares of this series authorized is 150,000 shares.

Section 425. [Intentionally omitted]

Section 426. [Intentionally omitted]

Section 427. [Intentionally omitted]

Section 428. [Intentionally omitted]

Section 429. [Intentionally omitted]

Section 430. [Intentionally omitted]

Section 431. [Intentionally omitted]

Section 432. $7.48 Preferred Stock (Series 24). The terms of the $7.48 Preferred Stock (Series 24), in respect in which shares of such series may vary from shares of the other series of Preferred Stock shall be as follows:

(A) The dividend rate of the $7.48 Preferred Stock shall be $7.48 per annum and March 30, 1993 shall be the date from which dividends shall be cumulative on all shares issued prior to the record date for the first dividend for the $7.48 Preferred Stock.

(B) The Company will not redeem any shares of the $7.48 Preferred Stock prior to April 1, 2003. Thereafter, the redemption price (hereinafter referred to as the "Optional Redemption Price") of the $7.48 Preferred Stock, shall be at the applicable Optional Redemption Price per share set forth in the tabulation below (to which shall be added the sum

equal to the accumulated and unpaid dividends, computed as provided in Section 403):

If Redeemed During the 12 Months Beginning April 1,	Optional Redemption Price	If Redeemed During the 12 Months Beginning April 1,	Optional Redemption Price
2003	$103.74	2009	$101.50
2004	103.37	2010	101.12
2005	102.99	2011	100.75
2006	102.62	2012	100.37
2007	102.24	2013 and thereafter	100.00
2008	101.87		

(C) The amount per share for the $7.48 Preferred Stock, payable to the holders thereof upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company (to which shall be added a sum equal to accumulated and unpaid dividends, computed as provided in Section 404 of Article IV) shall be $100.

Section 433. $6.12 Preferred Stock (Series 25). The terms of the $6.12 Preferred Stock (Series 25), in respect in which shares of such series may vary from shares of the other series of Preferred Stock shall be as follows:

(A) The dividend rate of the $6.12 Preferred Stock shall be $6.12 per annum and June 18, 1993 shall be the date from which dividends shall be cumulative on all shares issued prior to the record date for the first dividend for the $6.12 Preferred Stock.

(B) The $6.12 Preferred Stock, shall be redeemable in part from time to time, on or after August 1, 1999, for the Sinking Fund hereinafter referred to, at a redemption price of $100.00 per share, together with a sum in the case of each such share so to be redeemed, computed at the annual dividend rate for the $6.12 Preferred Stock, from the date from which dividends on such share became cumulative to the date fixed for such redemption, less the aggregate of the dividends theretofore, or on such redemption date, paid thereon or declared or set aside for payment thereon (such price, including such sum equal to such accumulated and unpaid dividends, being hereinafter called the "Sinking Fund Redemption Price").

(C) The amount per share for the $6.12 Preferred Stock, payable to the holders thereof upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company (to which shall be added a sum equal to accumulated and unpaid dividends, computed as provided in Section 404) shall be $100.

(D) As and for a Sinking Fund for the 927,000 shares constituting the $6.12 Preferred Stock, authorized hereby (and only for such shares), so long as any of such shares are outstanding, the Company will redeem on each August 1, commencing with August 1, 1999 (each such August 1 being hereinafter referred to as a "Sinking Fund Date") (i) 185,400 such shares (the Company's obligation to redeem such number of such shares on such Sinking Fund Date being hereinafter referred to as the "Sinking Fund Obligation" for such Sinking Fund Date), and (ii) at the option of the Company, an additional number of such shares, not exceeding 185,400 as the Board of Directors shall by resolution determine on or before the June 15 next preceding such Sinking Fund Date but the exercise of such option by the Board of Directors shall not reduce or satisfy any subsequent Sinking Fund Obligation; provided, however, that the Sinking Fund Obligation for any such Sinking Fund Date may be reduced (or satisfied), at the option of the Company, by such number of such shares, theretofore acquired by the Company by purchase at a price not exceeding the Sinking Fund Redemption Price (and not theretofore applied in reduction or satisfaction of any Sinking Fund Obligation) as the Company, by resolution of its Board of Directors, may elect to apply in reduction or satisfaction of the Sinking Fund Obligation for such Sinking Fund Date; and provided, further, that the Company shall not redeem any such shares for the Sinking Fund unless all dividends on all series of Preferred Stock then outstanding for all past quarter-yearly dividend periods shall have been paid or declared and set aside for payment and unless such redemption is permissible under applicable law, but if the Company shall for the aforesaid reasons or any other reason fail to discharge its Sinking Fund Obligation for any Sinking Fund Date, such Sinking Fund Obligation, to the extent not discharged, shall become an additional Sinking Fund Obligation for each succeeding Sinking Fund Date until fully discharged.

(E) Any redemption of the $6.12 Preferred Stock, for the Sinking Fund shall be accomplished in the manner and with the effect provided in Section 403 of Article IV, and such redemption shall be at the Sinking Fund Redemption Price.

PART 3
COMMON STOCK

Section 453. Voting Rights. At all meetings of the shareholders of the Corporation the holders of Common Stock shall be entitled to one vote for each share of Common Stock held by them respectively, except as otherwise expressly provided in this article.

Section 454. Dividend and Other Distribution Rights. Whenever full dividends or other distributions on all series of the Preferred Stock at the time outstanding having preferential dividend or other distribution rights shall have been paid or declared and set apart for payment or otherwise made, then such dividends (payable in cash or otherwise) or other distributions, as may be determined by the board of directors may

be declared and paid or otherwise made on the Common Stock, but only out of funds legally available for the payment of such distributions.

Section 455. Liquidation Rights. In the event of any liquidation, dissolution or winding up of the Corporation, the assets and funds of the Corporation available for distribution to shareholders, after paying or providing for the payment to the holders of shares of all series of Preferred Stock of the full distributive amounts to which they are respectively entitled, as provided in this article, shall be divided among and paid to the holders of Common Stock according to their respective shares.

PART 4
GENERAL

Section 460. Preemptive Rights. Except as otherwise provided in the express terms of any class or series of shares, or in any contract, warrant or other instrument issued by the Corporation, no holder of shares of the Corporation shall be entitled, as such, as a matter of right to subscribe for or purchase any part of any issue of shares or other securities of the Corporation, of any class, series or kind whatsoever, and whether issued for cash, property, services, by way of dividends, or otherwise.

Section 461. Amendments to Terms of Preferred Stock. If and to the extent provided by the express terms of any series of the Preferred Stock, the board of directors may, without the consent of the holders of the outstanding shares of such series or of the holders of any other shares of the Corporation (unless otherwise provided in the express terms of any such other shares), amend these articles of incorporation so as to change any of the terms of such series.

Section 463. Actions by Partial Consent. Any action required to be taken at any annual or special meeting of shareholders of the Corporation, or any action which may be taken at any annual or special meeting of such shareholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those shareholders who have not consented in writing.

ARTICLE V.
MANAGEMENT

The following provisions shall govern the management of the business and affairs of the Corporation and the rights, powers or duties of its security holders, directors or officers:

Section 501. Effective Date of Article and Amendments Thereto. This article and any subsequent amendments thereto which require governmental approval, if any,

under 66 Pa.C.S. Ch. 19 (relating to securities and obligations) or any superseding provision of law shall take effect upon receipt of such governmental approval.

Section 502. Classification of Board of Directors. The board of directors of the Corporation shall be classified in respect of the time for which they shall severally hold office as follows:

(1) Each class shall be as nearly equal in number as possible.

(2) The term of office of at least one class shall expire in each year.

(3) Except as otherwise provided in Section 406(B), the members of each class shall be elected for a term of three years and until their respective successors shall have been elected and qualified, except in the event of their earlier death, resignation or removal.

Section 503. Number of Directors. The number of directors of the Corporation constituting the whole board and the number of directors constituting each class of directors as provided by Section 502 shall be fixed solely by resolution of the board of directors, except as otherwise provided in the express terms of any class or series of Preferred Stock with respect to the election of a majority of directors upon the occurrence of a default in the payment of dividends or in the performance of another express requirement of the terms of such Preferred Stock.

Section 504. Straight Voting for Directors. The shareholders of the Corporation shall not have the right to cumulate their votes for the election of directors of the Corporation.

Section 505. Liability of Directors and Officers. An officer of the Corporation shall not be personally liable, as such, to the Corporation, and a director of the Corporation shall not be personally liable, as such, for monetary damages (including, without limitation, any judgment, amount paid in settlement, penalty, punitive damages or expense of any nature (including, without limitation, attorneys' fees and disbursements)) for any action taken, or any failure to take any action, unless the director or officer has breached or failed to perform the duties of his or her office under these articles of incorporation, the bylaws of the Corporation or applicable provisions of law and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

Section 506. Conduct of Officers. In lieu of the standards of conduct otherwise provided by law, officers of the Corporation shall be subject to the same standards of conduct, including standards of care and loyalty and rights of justifiable reliance, as shall at the time be applicable to directors of the Corporation.

Section 507. Interpretation. The provisions of Section 505 shall not apply to the responsibility or liability of a director or officer, as such, pursuant to any criminal statute or for the payment of taxes pursuant to local, state or federal law. The provisions of Sections 505, 506 and this section have been adopted pursuant to the authority of

Sections 1721(e) and 1732(c) of the Pennsylvania Business Corporation Law of 1988, shall be deemed to be a contract with each director or officer of the Corporation who serves as such at any time while Sections 505, 506 and this section are in effect, and Sections 505, 506 and this section are cumulative of and shall be in addition to and independent of any and all other limitations on the liabilities of directors or officers of the Corporation, as such, or rights of indemnification by the Corporation to which a director or officer of the Corporation may be entitled, whether such limitations or rights arise under or are created by any statute, rule of law, bylaw, agreement, vote of shareholders or disinterested directors or otherwise. Each person who serves as a director or officer of the Corporation while Sections 505, 506 and this section are in effect shall be deemed to be doing so in reliance on such sections. No amendment to or repeal of Sections 505, 506 and this section, nor the adoption of any provisions of these articles of incorporation inconsistent with such sections, shall apply to or have any effect on the liability or alleged liability of any director or officer of the Corporation for or with respect to any acts or omissions of such director or officer occurring prior to such amendment, repeal or adoption of an inconsistent provision. In any action, suit or proceeding involving the application of Sections 505, 506 and this section, the party or parties challenging the right of a director or officer to the benefits of such sections shall have the burden of proof.

Section 508. Control Transactions.

(A) Subchapter E of Chapter 25 of the Business Corporation Law of 1988 (relating to control transactions) shall be applicable to the Corporation.

(B) Subsection (A) shall take effect upon the amendment of 15 Pa.C.S. ss. 2524 (relating to definitions) to define "voting shares" for the purposes of Subchapter 25E as shares of the Corporation entitled to vote generally in the election of directors.

Section 509. Business Combinations. Subchapter F of Chapter 25 of the Business Corporation Law of 1988 (relating to business combinations) shall be applicable to the Corporation.

Section 510. Adoption of Bylaws. Except as otherwise provided in the express terms of any series of the Preferred Stock:

(1) The shareholders shall have the power to adopt, amend or repeal the bylaws of the Corporation only subject to the procedures and restrictions applicable to amendments of these articles of incorporation, including any provision of law requiring as a condition to adoption by the Corporation that the corporate action be approved also by the board of directors of the Corporation, and treating a direction by the board that the matter should be submitted to the shareholders, or the sufferance by the board that the matter be so submitted, as insufficient to satisfy the requirement of independent approval by the board of directors.

(2) The board of directors of the Corporation shall have the full authority conferred by law upon the shareholders of the Corporation to adopt, amend or repeal the bylaws of the Corporation, including in circumstances otherwise reserved by statute exclusively to the shareholders. Any bylaw adopted by the board of directors under this paragraph shall be consistent with these articles of incorporation.

ARTICLE VI.
MISCELLANEOUS

Section 601. Headings. The headings of the various sections of these articles of incorporation are for convenience of reference only and shall not affect the interpretation of any of the provisions of these articles.

Section 602. Reserved Power of Amendment. These articles of incorporation may be amended in the manner and at the time prescribed by statute, and all rights conferred upon shareholders herein are granted subject to this reservation.

As filed with the Department of State on October 20, 2000.

Exhibit 3-6

COMMONWEALTH EDISON COMPANY

By-Laws

Effective September 2, 1988

As Amended Through

October 20, 2000

CONTENTS

COMMONWEALTH EDISON COMPANY

By-Laws

ARTICLE I.

Stock.

Section 1. Each holder of fully paid stock shall be entitled to a certificate or certificates of stock stating the number and class of shares, and the designation of the series, if any, which such certificate represents. All certificates of stock shall at the time of their issuance be signed either manually or by facsimile signature by the Chairman, the President or a Vice President and by the Secretary or an Assistant Secretary. All certificates of stock shall be sealed with the seal of the Company or a facsimile of such seal.

Section 2. Shares of stock shall be transferable only on the books of the Company and, except as hereinafter provided or as otherwise required by law, shall be transferred only upon proper endorsement and surrender of the certificates issued therefor. If an outstanding certificate of stock shall be lost, destroyed or stolen, the holder thereof may have a new certificate upon producing evidence satisfactory to the Board of Directors of such loss, destruction or theft, and upon furnishing to the Company a bond of indemnity deemed sufficient by the Board of Directors against claims under the outstanding certificate.

Section 3. The certificates for each class or series of stock shall be numbered and issued in consecutive order and a record shall be kept of the name and address of the person to whom each certificate is issued, the number of shares represented by the certificate and the number and date of the certificate. All certificates exchanged or returned to the Company for transfer shall be canceled and filed.

Section 4. For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders, or stockholders entitled to receive payment of any dividend, or in order to make a determination of stockholders for any other proper purpose, the Board of Directors may fix in advance a date as the record date for any such determination for stockholders, such date in any case to be not more than sixty days and, for a meeting of stockholders, not less than ten days, or in the case of a merger, consolidation, share exchange, dissolution or sale, lease or exchange of assets, not less than twenty days, immediately preceding such meeting.

Section 5. If any subscription for stock in the Company or any installment of such subscription shall be unpaid when due, as the Board of Directors shall have determined the time for payment, and shall continue unpaid for twenty days after demand for the amount due, made either in person or by written notice duly mailed to the last address, as it appears on the records of the Company, of the subscriber or other person by whom the subscription or installment shall be payable, the stock or

subscription upon which payment shall be so due shall, upon the expiration of said twenty days, become and be forfeited to the Company without further action, demand or notice, and such stock or subscription may be sold at public sale, subject to payment of the amount due and unpaid, plus all costs and expenses incurred by the Company in that connection, at a time and place to be stated in a written notice to be mailed to the recorded address of the delinquent subscriber or other person in default on the subscription at least ten days prior to the time fixed for such sale; provided, that the excess of proceeds of such sale realized over the amount due and unpaid on said stock or subscription shall be paid to the delinquent subscriber or other person in default on the subscription, or to his or her legal representative; and, provided further, that no forfeiture of stock, or of any amounts paid upon a subscription therefor, shall be declared as against the estate of any decedent before distribution shall have been made of the estate.

The foregoing provisions for the forfeiture and sale of stock or subscriptions shall not exclude any other remedy which may lawfully be enforceable at any time, by forfeiture of stock or of amounts theretofore paid or otherwise, against any person for nonpayment of a subscription or of any installment thereof.

ARTICLE II.

Meetings of Stockholders.

Section 1. The regular annual meeting of the stockholders of the Company for the election of Directors and for the transaction of such other business as may properly come before the meeting shall be held on such day as the Board of Directors may by resolution determine. Each such regular annual meeting and each special meeting of the stockholders shall be held at such place as may be fixed by the Board of Directors and at such hour as the Board of Directors shall order.

Section 2. Special meetings of the stockholders may be called by the Chairman, by the Board of Directors, by a majority of the Directors individually or by the holders of not less than one-fifth of the total outstanding shares of capital stock of the Company.

Section 3. Written notice stating the place, day and hour of the meeting of the stockholders and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than ten nor more than sixty days before the date of the meeting, or in the case of a merger, consolidation, share exchange, dissolution or sale, lease or exchange of assets not less than twenty nor more than sixty days before the date of the meeting, either personally or by mail, by or at the direction of the Chairman, the Secretary or the persons calling the meeting, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the stockholder at the stockholder's address as it appears upon the records of the Company, with postage thereon prepaid.

Section 4. At all meetings of the stockholders, a majority of the outstanding shares of stock, entitled to vote on a matter, represented in person or by proxy, shall constitute a quorum for consideration of such matter, but the stockholders represented at any meeting, though less than a quorum, may adjourn the meeting to some other day or sine die. If a quorum is present, the affirmative vote of the majority of the shares of stock represented at the meeting and entitled to vote on a matter shall be the act of the stockholders, unless the vote of a greater number or voting by classes is required by law or the articles of incorporation.

Section 5. At every meeting of the stockholders, each outstanding share of stock shall be entitled to one vote on each matter submitted for a vote. In all elections for Directors, every stockholder shall have the right to vote the number of shares owned by such stockholder for as many persons as there are Directors to be elected, or to cumulate such votes and give one candidate as many votes as shall equal the number of Directors to be elected multiplied by the number of such shares or to distribute such cumulative votes in any proportion among any number of candidates. A stockholder may vote either in person or by proxy. A stockholder may appoint a proxy to vote or otherwise act for him or her by signing an appointment form and delivering it to the person so appointed.

Section 6. The Secretary of the Company shall make, within twenty days after the record date for a meeting of stockholders of the Company or ten days before such meeting, whichever is earlier, a complete list of the stockholders entitled to vote at such meeting, arranged in alphabetical order, with the address of and the number of shares held by each, which list, for at least ten days prior to such meeting, shall be kept on file at the registered office of the Company and shall be subject to inspection by any stockholder, and to copying at such stockholder's expense, at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any stockholder during the whole time of the meeting.

Section 7. The Chairman and the Secretary of the Company shall, when present, act as chairman and secretary, respectively, of each meeting of the stockholders.

Section 8. At any meeting of stockholders, the chairman of the meeting may, or upon the request of any stockholder shall, appoint one or more persons as inspectors for such meeting, unless an inspector or inspectors shall have been previously appointed for such meeting by the Chairman. Such inspectors shall ascertain and report the number of shares of stock represented at the meeting, based upon their determination of the validity and effect of proxies, count all votes and report the results and do such other acts as are proper to conduct the election and voting with impartiality and fairness to all the stockholders.

ARTICLE III.

Board of Directors.

Section 1. The business and affairs of the Company shall be managed by or under the direction of the Board of Directors. The number of Directors of the Company shall be not less than three nor more than eight. The Directors shall be elected at each annual meeting of the stockholders, but if for any reason the election shall not be held at an annual meeting, it may be subsequently held at any special meeting of the stockholders called for that purpose after proper notice. The Directors so elected shall hold office until the next annual meeting and until their respective successors, willing to serve, shall have been elected and qualified. Directors need not be residents of the State of Illinois or stockholders of the Company. No person shall be eligible for nomination or renomination as a Director by the management of the Company who, prior to the date of election, shall have attained age seventy-two.

Section 2. A meeting of the Board of Directors shall be held immediately, or as soon as practicable, after the annual election of Directors in each year, provided a quorum for such meeting can be obtained. Notice of every meeting of the Board, stating the time and place at which such meeting will be

held, shall be given to each Director personally, by telephone or by other means of communication at least one day, or by depositing the same in the mails properly addressed at least two days before the day of such meeting. A meeting of the Board of Directors may be called at any time by the Chairman or by any two Directors and shall be held at such place as shall be specified in the notice for such meeting.

Section 3. A majority of the number of Directors then in office, but not less than two, shall constitute a quorum for the transaction of business at any meeting of the Board, but a lesser number may adjourn the meeting from time to time until a quorum is obtained, or may adjourn sine die. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 4. Each member of the Board not receiving a salary from the Company or a subsidiary of the Company shall be paid such fees as the Board of Directors may from time to time, by resolution adopted by the affirmative vote of a majority of the Directors then in office, determine.

ARTICLE IV.

Committees of the Board of Directors.

Section 1. The Board of Directors may from time to time create committees, standing or special, each committee to consist of two or more Directors of the Company, and the Board shall appoint Directors to serve on such committees and confer such powers upon such committees and revoke such powers and terminate the existence of such committees, as the Board at its pleasure may determine, subject to the limitations set forth in Section 8.40(c) of the Illinois Business Corporation Act of 1983, as amended from time to time.

Section 2. Meetings of any committee of the Board may be called at any time by the Chairman, by any two Directors or by the chairman of the committee the meeting of which is being called and shall be held at such place as shall be designated in the notice of such meeting. Notice of each committee meeting stating the time and place at which such meeting will be held shall be given to each member of the committee personally, or by telecopy, or by depositing the same in the mails properly addressed, at least one day before the day of such meeting. A majority of the members of a committee shall constitute a quorum thereof but a lesser number may adjourn the meeting from time to time until a quorum is obtained, or may adjourn sine die. A majority vote of the members of a committee present at a meeting at which a quorum is present shall be necessary for committee action.

Section 3. The Board of Directors may from time to time designate from among the Directors alternates to serve on one or more committees as occasion may require. Whenever a quorum cannot be secured for any meeting of any committee from among the regular members thereof and designated alternates, the member or members of such committee present at such meeting and not disqualified from voting thereat, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of such absent or disqualified member.

Section 4. Every Director of the Company, or member of any committee designated by the Board of Directors pursuant to authority conferred by these By-Laws, shall, in the performance of

his or her duties, be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any of the Company's officers or employees, or committees of the Board of Directors, or by any other person as to matters the Director or member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company.

Section 5. Unless otherwise limited by the Board of Directors and subject to the limitations set forth in the Illinois Business Corporation Act, each committee of the Board of Directors consisting of two or more Directors may exercise the authority of the Board.

ARTICLE V.

Officers.

Section 1. There shall be elected by the Board of Directors, at its first meeting after the annual election of Directors in each year if practicable, the following principal officers of the Company, namely: a Chairman, a President, such number of Executive Vice Presidents, Senior Vice Presidents and Vice Presidents as the Board at the time may decide upon, a Secretary, a Treasurer and a Comptroller; and the Board may also provide for a Vice Chairman and such other officers, and prescribe for each of them such duties, as in its judgment may from time to time be desirable to conduct the affairs of the Company. No officer shall be elected for a term extending beyond the first day of the month following the month in which such officer attains the age of 65 years, on which date such officer shall be retired. The Chairman shall be a Director of the Company; any other officer above named may, but need not, be a Director of the Company. Any two or more offices may be held by the same person, except that one person may not at the same time hold the office of Chairman or President and the office of Secretary. All officers shall hold their respective offices until the first meeting of the Board of Directors after the next succeeding annual election of Directors and until their successors, willing to serve, shall have been elected, but any officer may be removed from office by the Board of Directors whenever in its judgment the best interests of the Company will be served thereby. Such removal, however, shall be without prejudice to the contract rights, if any, of the person so removed. Election of an officer shall not of itself create contract rights.

Section 2. The Chairman shall be the chief executive officer of the Company and shall have general authority over all the affairs of the Company, including the power to appoint and discharge any and all officers, agents and employees of the Company not elected or appointed directly by the Board of Directors. The Chairman shall, when present, preside at all meetings of the stockholders and of the Board of Directors. The Chairman shall have authority to call special meetings of the stockholders and meetings of the Board of Directors, and of any committee of the Board of Directors and, when neither the Board of Directors nor the Executive Committee is in session, to suspend the authority of any other officer or officers of the Company, subject, however, to the pleasure of the Board of Directors or of the Executive Committee at its next meeting. The Chairman, or such other officer as the Chairman may direct, shall be responsible for all internal audit functions, and internal audit personnel shall report directly to the Chairman or to such other officer.

Section 3. Except insofar as the Board of Directors, the Executive Committee or the Chairman shall have devolved responsibilities on the other principal officers, the President shall be responsible for the general management and direction of the affairs of the Company, subject to the control of the Board of Directors, the Executive Committee and the Chairman. The President shall have such

other powers and duties as usually devolve upon the President of a corporation and such further powers and duties as may be prescribed by the Board of Directors, the Executive Committee or the Chairman. The President shall report to the Chairman.

Section 4. The Executive Vice Presidents, the Senior Vice Presidents and the Vice Presidents shall have such powers and duties as may be prescribed for them, respectively, by the Board of Directors, the Executive Committee or the Chairman. Each of such officers shall report to the Chairman or such other officer as the Chairman shall direct.

Section 5. The Secretary shall attend all meetings of the stockholders, of the Board of Directors and of each committee of the Board of Directors, shall keep a true and faithful record thereof in proper books and shall have the custody and care of the corporate seal, records, minute books and stock books of the Company and of such other books and papers as in the practical business operations of the Company shall naturally belong in the office or custody of the Secretary or as shall be placed in the Secretary's custody by order of the Board of Directors or the Executive Committee. The Secretary shall keep a suitable record of the addresses of stockholders and shall, except as may be otherwise required by statute or these by-laws, sign and issue all notices required for meetings of stockholders, of the Board of Directors and of the committees of the Board of Directors. Whenever requested by the requisite number of stockholders or Directors, the Secretary shall give notice, in the name of the stockholder or stockholders or Director or Directors making the request, of a meeting of the stockholders or of the Board of Directors or of a committee of the Board of Directors, as the case may be. The Secretary shall sign all papers to which the Secretary's signature may be necessary or appropriate, shall affix and attest the seal of the Company to all instruments requiring the seal, shall have the authority to certify the by-laws, resolutions of the stockholders and Board of Directors and committees of the Board of Directors and other documents of the Company as true and correct copies thereof and shall have such other powers and duties as are commonly incidental to the office of Secretary and as may be prescribed by the Board of Directors, the Executive Committee or the Chairman. The Secretary shall report to the Chairman or such other officer as the Chairman shall direct.

Section 6. The Treasurer shall have charge of and be responsible for the collection, receipt, custody and disbursement of the funds of the Company. The Treasurer shall deposit the Company's funds in its name in such banks, trust companies or safe deposit vaults as the Board of Directors may direct. Such funds shall be subject to withdrawal only upon checks or drafts signed or authenticated in such manner as may be designated from time to time by resolution of the Board of Directors or of the Executive Committee. The Treasurer shall have the custody of such books and papers as in the practical business operations of the Company shall naturally belong in the office or custody of the Treasurer or as shall be placed in the Treasurer's custody by order of the Board of Directors or the Executive Committee. The Treasurer shall have such other powers and duties as are commonly incidental to the office of Treasurer or as may be prescribed for the Treasurer by the Board of Directors, the Executive Committee or the Chairman. Securities owned by the Company shall be in the custody of the Treasurer or of such other officers, agents or depositaries as may be designated by the Board of Directors or the Executive Committee. The Treasurer may be required to give bond to the Company for the faithful discharge of the duties of the Treasurer in such form and in such amount and with such surety as shall be determined by the Board of Directors. The Treasurer shall report to the Chairman or such other officer as the Chairman shall direct.

Section 7. The Comptroller shall be responsible for the executive direction of the accounting organization and shall have functional supervision over the records of all other departments pertaining to revenues, expenses, money, securities, properties, materials and supplies. The Comptroller shall prescribe the form of all vouchers, accounts and accounting procedures, and reports required by the various departments. The Comptroller shall be responsible for the preparation and interpretation of all accounting reports and financial statements as required and for the proper review and approval of all bills received for payment. No bill or voucher shall be so approved unless the charges covered by the bill or voucher shall have been previously approved through job order, requisition or otherwise by the head of the department in which it originated, or unless the Comptroller shall otherwise be satisfied of its propriety and correctness. The Comptroller shall have such other powers and duties as are commonly incidental to the office of Comptroller or as may be prescribed for the Comptroller by the Board of Directors, the Executive Committee or the Chairman. The Comptroller may be required to give bond to the Company for the faithful discharge of the duties of the Comptroller in such form and in such amount and with such surety as shall be determined by the Board of Directors. The Comptroller shall report to the Chairman or such other officer as the Chairman shall direct.

Section 8. Assistant Secretaries, Assistant Treasurers and Assistant Comptrollers, when elected or appointed, shall respectively assist the Secretary, the Treasurer and the Comptroller in the performance of the respective duties assigned to such principal officers, and in assisting such principal officer, each of such assistant officers shall for such purpose have the powers of such principal officer. In case of the absence, disability, death, resignation or removal from office of any principal officer, such principal officer's duties shall, except as otherwise ordered by the Board of Directors or the Executive Committee, temporarily devolve upon such assistant officer as shall be designated by the Chairman.

ARTICLE VI.

Miscellaneous.

Section 1. No bills shall be paid by the Treasurer unless reviewed and approved by the Comptroller or by some other person or committee expressly authorized by the Board of Directors, the Executive Committee, the Chairman or the Comptroller to review and approve bills for payment.

Section 2. Any and all shares of stock of any corporation owned by the Company and any and all voting trust certificates owned by the Company calling for or representing shares of stock of any corporation may be voted at any meeting of the stockholders of such corporation or at any meeting of the holders of such certificates, as the case may be, by any one of the principal officers of the Company upon any question which may be presented at such meeting, and any such officer may, on behalf of the Company, waive any notice required to be given of the calling of such meeting and consent to the holding of any such meeting without notice. Any such principal officer other than the Secretary, acting together with the Secretary or an Assistant Secretary, shall have authority to give to any person a written proxy, in the name of the Company and under its corporate seal, to vote any or all shares of stock or any or all voting trust certificates owned by the Company upon any question that may be presented at any such meeting of stockholders or certificate holders, with full power to waive any notice of the calling of such meeting and consent to the holding of such meeting without notice.

Section 3. The fiscal year of the Company shall begin on the first day of January and end on the last day of December in each year.

Section 4. The Company shall indemnify the Directors, officers and employees of the Company, and shall have the power to indemnify other agents of the Company and any person acting or serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, in accordance with and to the extent permitted by Section 8.75 of the Illinois Business Corporation Act, as from time to time amended and in effect. Such indemnification shall be available to any past, present or future Director, officer or employee of the Company, and may be available to any past, present or future agent of the Company and any past, present or future director, officer, employee or agent of such other corporation, partnership, joint venture, trust or other enterprise, and shall apply to actions, suits, proceedings or claims arising out of or based upon events occurring prior to, on or after the date of original adoption of this by-law.

ARTICLE VII.

Alteration, Amendment or Repeal of By-Laws.

These by-laws may be altered, amended or repealed by the stockholders or the Board of Directors.

$2,000,000,000

364-DAY CREDIT AGREEMENT

dated as of December 19, 2000

among

EXELON CORPORATION,

COMMONWEALTH EDISON COMPANY

and

PECO ENERGY COMPANY

as Borrowers

VARIOUS FINANCIAL INSTITUTIONS

as Lenders

BANK ONE, NA

as Administrative Agent

CREDIT SUISSE FIRST BOSTON

and

FIRST UNION NATIONAL BANK

as Documentation Agents

and

CITIBANK, N.A.

as Syndication Agent

BANC ONE CAPITAL MARKETS, INC.

Lead Arranger and Sole Book Runner

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364-DAY CREDIT AGREEMENT
dated as of December 19, 2000

EXELON CORPORATION, COMMONWEALTH EDISON COMPANY, PECO ENERGY COMPANY, the banks listed on the signature pages hereof, BANK ONE, NA, as Administrative Agent, CREDIT SUISSE FIRST BOSTON and FIRST UNION NATIONAL BANK, as Documentation Agents, and CITIBANK, N.A., as Syndication Agent, hereby agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, each of the following terms shall have the meaning set forth below (each such meaning to be equally applicable to both the singular and plural forms of the term defined):

"Administrative Agent" means Bank One in its capacity as administrative agent for the Lenders pursuant to Article VII, and not in its individual capacity as a Lender, and any successor Administrative Agent appointed pursuant to Article VII.

"Advance" means an advance by a Lender to a Borrower hereunder. An Advance may be a Base Rate Advance or a Eurodollar Rate Advance, each of which shall be a "Type" of Advance.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person.

"Agents" means the Administrative Agent, the Documentation Agent and the Syndication Agent; and "Agent" means any one of the foregoing.

"Applicable Lending Office" means, with respect to each Lender, such Lender's Domestic Lending Office in the case of a Base Rate Advance and such Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Advance.

"Applicable Margin" - see Schedule II.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in substantially the form of Exhibit C hereto.

"Bank One" means Bank One, NA, a national banking association with its main office in Chicago, Illinois.

"Base Rate" means, for any period, a fluctuating interest rate per annum which rate per annum shall at all times be equal to the higher of:

(a) the Prime Rate; and

(b) the sum of 0.5% per annum plus the Federal Funds Rate in effect from time to time.

"Base Rate Advance" means an Advance that bears interest as provided in Section 2.06(a).

"Borrower" means each of Exelon, ComEd and PECO.

"Borrowing" means a group of Advances to the same Borrower of the same Type made, continued or converted on the same day by the Lenders ratably according to their Pro Rata Shares and, in the case of a Borrowing of Eurodollar Rate Advances, having the same Interest Period.

"Business Day" means a day on which banks are not required or authorized to close in Philadelphia, Pennsylvania, Chicago, Illinois or New York, New York, and, if the applicable Business Day relates to any Eurodollar Rate Advances, on which dealings are carried on in the London interbank market.

"Closing Date" shall mean the date on which all conditions precedent to the initial Credit Extension have been satisfied.

"Code" means the Internal Revenue Code of 1986, and the regulations promulgated thereunder, in each case as amended, reformed or otherwise modified from time to time.

"Commitment" means, for any Lender, such Lender's commitment to make Advances and participate in Facility LCs for the account of each Borrower hereunder.

"Commitment Amount" means, for any Lender at any time, the amount set forth opposite such Lender's name on the signature pages hereof or, if such Lender has entered into any Assignment and Acceptance, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.07(c), as such amount may be reduced pursuant to Section 2.04.

"ComEd" means Commonwealth Edison Company, an Illinois corporation, or any Eligible Successor thereof.

"ComEd Sublimit" means $200,000,000, subject to adjustment as provided in Section 2.04(c).

"ComEd Mortgage" means the Mortgage, dated July 1, 1923, as amended and supplemented by supplemental indentures, including the Supplemental Indenture, dated August 1, 1944, from ComEd to Harris Trust and Savings Bank and D.G. Donovan, as trustees; provided that no effect shall be given to any amendment, supplement or refinancing after the date of this Agreement that would broaden the definition of "permitted liens" as defined in the ComEd Mortgage as constituted on the date of this Agreement.

"Consolidated Adjusted Total Capitalization" means, for any Borrower, the sum, without duplication, of the following with respect to such Borrower and its consolidated Subsidiaries determined on a consolidated basis (exclusive, in each case, to the extent otherwise included in such item, of (i) Nonrecourse Indebtedness of any Subsidiary of such Borrower and (ii) the aggregate principal amount of Transitional Funding Instruments of such Borrower and its consolidated Subsidiaries): (a) total capitalization as of such date, as determined in accordance with GAAP, (b) the current portion of liabilities which as of such date would be classified in whole or part as long-term debt in accordance with GAAP (it being understood that the noncurrent portion of such liabilities is included in the total capitalization referred to in clause (a)), (c) all obligations as lessee which, in accordance with GAAP, are capitalized as liabilities (including the current portion thereof), and (d) all other liabilities which would be classified as short-term debt in accordance with GAAP (including, without limitation, all liabilities of the types classified as "Notes Payable, Bank" on PECO's audited balance sheet for December 31, 1999).

"Consolidated Adjusted Total Debt" means, for any Borrower, the sum, without duplication, of the following with respect to such Borrower and its consolidated Subsidiaries determined on a consolidated basis (exclusive, in each case, to the extent otherwise included in such item, of (i) Nonrecourse Indebtedness of any Subsidiary of such Borrower, (ii) the aggregate principal amount of Subordinated Deferrable Interest Securities of such Borrower and its Subsidiaries and (iii) the aggregate principal amount of Transitional Funding Instruments of such Borrower and its Subsidiaries): (a) all liabilities which as of such date would be classified in whole or in part as long-term debt in accordance with GAAP (including the current portion thereof), (b) all obligations as lessee which, in accordance with GAAP, are capitalized as liabilities (including the current portion thereof), and (c) all other liabilities which would be classified as short-term debt in accordance with GAAP (including, without limitation, all liabilities of the types classified as "Notes Payable, Bank" on PECO's audited balance sheet for December 31, 1999).

"Controlled Group" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control that, together with Exelon or any Subsidiary, are treated as a single employer under Section 414(b) or 414(c) of the Code.

"Credit Extension" means the making of an Advance or the issuance or modification of a Facility LC hereunder.

"Debt" means (i) indebtedness for borrowed money, (ii) obligations evidenced by bonds, debentures, notes or other similar instrument, (iii) obligations to pay the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of business), (iv) obligations as lessee under leases that shall have been or are required to be, in accordance with GAAP, recorded as capital leases, (v) obligations (contingent or otherwise) under reimbursement or similar agreements with respect to the issuance of letters of credit (other than obligations in respect of documentary letters of credit opened to provide for the payment of goods or services purchased in the ordinary course of business) and (vi) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (i) through (v) above.

"Documentation Agent" means each of Credit Suisse First Boston and First Union National Bank, in its capacity as a documentation agent hereunder.

"Domestic Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Borrowers and the Administrative Agent.

"Eligible Assignee" means (i) a commercial bank organized under the laws of the United States, or any State thereof; (ii) a commercial bank organized under the laws of any other country that is a member of the OECD or has concluded special lending arrangements with the International Monetary Fund associated with its General Arrangements to Borrow, or a political subdivision of any such country, provided that such bank is acting through a branch or agency located in the United States; (iii) a finance company, insurance company or other financial institution or fund (whether a corporation, partnership or other entity) engaged generally in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business; or (iv) the central bank of any country that is a member of the OECD; provided, however, that (A) any such Person described in clause (i), (ii) or (iii) above shall also (x) have outstanding unsecured long-term debt that is rated BBB- or better by S&P and Baa3 or better by Moody's (or an equivalent rating by another nationally recognized credit rating agency of similar standing if either such corporation is no longer in the business of rating unsecured indebtedness of entities engaged in such businesses) and (y) have combined capital and surplus (as established in its most recent report of condition to its primary regulator) of not less than $100,000,000 (or its equivalent in foreign currency), and (B) any Person described in clause (ii), (iii) or (iv) above shall, on the date on which it is to become a Lender hereunder, be entitled to receive payments hereunder without

deduction or withholding of any United States Federal income taxes (as contemplated by Section 2.14(e)).

"Eligible Successor" means a Person which (i) is a corporation, limited liability company or business trust duly incorporated or organized, validly existing and in good standing under the laws of one of the states of the United States or the District of Columbia, (ii) as a result of a contemplated acquisition, consolidation or merger, will succeed to all or substantially all of the consolidated business and assets of a Borrower and its Subsidiaries, (iii) upon giving effect to such contemplated acquisition, consolidation or merger, will have all or substantially all of its consolidated business and assets conducted and located in the United States and (iv) is acceptable to the Majority Lenders as a credit matter.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder, each as amended and modified from time to time.

"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Eurodollar Lending Office" opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Borrowers and the Administrative Agent.

"Eurodollar Rate" means, for each Interest Period for each Eurodollar Rate Advance made as part of a Borrowing, an interest rate per annum equal to the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rates per annum at which deposits in U.S. dollars are offered by the principal office of each of the Reference Banks in London, England, to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to such Reference Bank's Eurodollar Rate Advance made as part of such Borrowing and for a period equal to such Interest Period. The Eurodollar Rate for each Interest Period for each Eurodollar Rate Advance made as part of a Borrowing shall be determined by the Administrative Agent on the basis of applicable rates furnished to and received by the Administrative Agent from the Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section 2.08.

"Eurodollar Rate Advance" means any Advance that bears interest as provided in Section 2.06(b).

"Eurodollar Rate Reserve Percentage" of any Lender for any Interest Period means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for such Lender with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Event of Default" - see Section 6.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended and modified from time to time.

"Exelon" means Exelon Corporation, a Pennsylvania corporation, or any Eligible Successor thereof.

"Exelon Sublimit" means $1,000,000,000, subject to adjustment as provided in Section 2.04(c).

"Existing Agreements" means (i) the 364-Day Credit Agreement dated as of September 15, 1999 among PECO, various financial institutions, Citibank, N.A., as documentation agent, and Bank One (then known as The First National Bank of Chicago), as Administrative Agent, as amended prior to the Closing Date; and (ii) the 364-Day Credit Agreement dated as of December 17, 1999 among ComEd, various financial institutions and Citibank, N.A., as Administrative Agent, as amended prior to the Closing Date; and (iii) the 3-Year Credit Agreement dated as of December 17, 1999 among ComEd, various financial institutions and Citibank, N.A., as Administrative Agent, as amended prior to the Closing Date.

"Facility Fee Rate" - see Schedule II.

"Facility LC" is defined in Section 2.16.1.

"Facility LC Application" is defined in Section 2.16.3.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the

quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"GAAP" - see Section 1.03.

"Genco" means Exelon Generation Company, LLC or any other entity to which all or any substantial portion of the electric generating assets of ComEd or PECO is transferred (directly or indirectly).

"Granting Bank" - see Section 8.07(h).

"Interest Period" means, for each Eurodollar Rate Advance, the period commencing on the date of such Eurodollar Rate Advance is made or is converted from a Base Rate Advance and ending on the last day of the period selected by the applicable Borrower pursuant to the provisions below and, thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by such Borrower pursuant to the provisions below. The duration of each such Interest Period shall be 1, 2, 3 or 6 months, as the applicable Borrower may select in accordance with Section 2.02 or 2.09; provided that:

(i) no Borrower may select any Interest Period that ends after the scheduled Termination Date;

(ii) Interest Periods commencing on the same date for Advances made as part of the same Borrowing shall be of the same duration, and

(iii) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, unless such extension would cause the last day of such Interest Period to occur in the next following calendar month, in which case the last day of such Interest Period shall occur on the next preceding Business Day.

"LC Fee Rate" - see Schedule II.

"LC Issuer" means Bank One in its capacity as issuer of Facility LCs hereunder.

"LC Obligations" means, with respect to any Borrower at any time, the sum, without duplication, of (i) the aggregate undrawn stated amount under all Facility LCs issued for the account of such Borrower outstanding at such time plus (ii) the aggregate unpaid amount at such time of all Reimbursement Obligations of such Borrower.

"LC Payment Date" is defined in Section 2.16.5.

"Lead Arranger" means Banc One Capital Markets in its capacity as Lead Arranger and Sole Book Runner.

"Lenders" means each of the financial institutions listed on the signature pages hereof and each Eligible Assignee that shall become a party hereto pursuant to Section 8.07.

"Letter of Credit Sublimit" means $200,000,000.

"Lien" means any lien (statutory or other), mortgage, pledge, security interest or other charge or encumbrance, or any other type of preferential arrangement (including, without limitation, the interest of a vendor or lessor under any conditional sale, capitalized lease or other title retention agreement).

"Leverage Ratio" means, for any Borrower, the ratio of such Borrower's Consolidated Adjusted Total Debt to such Borrower's Consolidated Adjusted Total Capitalization.

"Majority Lenders" means Lenders having Pro Rata Shares of more than 50% (provided that, for purposes of this definition, no Borrower nor any Affiliate of a Borrower, if a Lender, shall be included in calculating the amount of any Lender's Pro Rata Share or the amount of the Commitment Amounts or outstanding Credit Extensions, as applicable, required to constitute more than 50% of the Pro Rata Shares).

"Material Adverse Change" and "Material Adverse Effect" each means, relative to any occurrence, fact or circumstances of whatsoever nature (including, without limitation, any determination in any litigation, arbitration or governmental investigation or proceeding) with respect to any Borrower, (i) any materially adverse change in, or materially adverse effect on, the financial condition, operations, assets or business of such Borrower and its consolidated Subsidiaries, taken as a whole, or (ii) any materially adverse effect on the validity or enforceability against such Borrower of this Agreement or any applicable Note.

"Material Subsidiary" means, with respect Exelon, each of ComEd, PECO and Genco and any holding company for any of the foregoing.

"Modify" and "Modification" are defined in Section 2.16.1.

"Moody's" means Moody's Investors Service, Inc.

"Moody's Rating" means, at any time for any Borrower, the rating issued by Moody's and then in effect with respect to such Borrower's senior unsecured long-term public debt securities without third-party credit enhancement (it being understood that if such Borrower does not have any outstanding debt securities of the type described above

but has an indicative rating from Moody's for debt securities of such type, then such indicative rating shall be used for determining the "Moody's Rating").

"Multiemployer Plan" means a Plan maintained pursuant to a collective bargaining agreement or any other arrangement to which Exelon or any other member of the Controlled Group is a party to which more than one employer is obligated to make contributions.

"Nonrecourse Indebtedness" means any Debt that finances the acquisition, development, ownership or operation of an asset in respect of which the Person to which such Debt is owed has no recourse whatsoever to any Borrower or any of their respective Affiliates other than:

(i) recourse to the named obligor with respect to such Debt (the "Debtor") for amounts limited to the cash flow or net cash flow (other than historic cash flow) from the asset;

(ii) recourse to the Debtor for the purpose only of enabling amounts to be claimed in respect of such Debt in an enforcement of any security interest or lien given by the Debtor over the asset or the income, cash flow or other proceeds deriving from the asset (or given by any shareholder or the like in the Debtor over its shares or like interest in the capital of the Debtor) to secure the Debt, but only if the extent of the recourse to the Debtor is limited solely to the amount of any recoveries made on any such enforcement; and

(iii) recourse to the Debtor generally or indirectly to any Affiliate of the Debtor, under any form of assurance, undertaking or support, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) for a breach of an obligation (other than a payment obligation or an obligation to comply or to procure compliance by another with any financial ratios or other tests of financial condition) by the Person against which such recourse is available.

"Note" means a promissory note of a Borrower payable to the order of a Lender, in substantially the form of Exhibit A hereto, evidencing the aggregate indebtedness of such Borrower to such Lender resulting from the Advances made by such Lender to such Borrower.

"Notice of Borrowing" - see Section 2.02(a).

"OECD" means the Organization for Economic Cooperation and Development.

"Outstanding Credit Extensions" means, with respect to any Borrower, the sum of the aggregate principal amount of all outstanding Advances to such Borrower plus all LC Obligations of such Borrower.

"PBGC" means the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA.

"PECO" means PECO Energy Company, a Pennsylvania corporation, or any Eligible Successor thereof.

"PECO Mortgage" means the First and Refunding Mortgage, dated as of May 1, 1923, between The Counties Gas & Electric Company (to which PECO is successor) and Fidelity Trust Company, Trustee (to which First Union National Bank is successor), as amended, supplemented or refinanced from time to time, provided that no effect shall be given to any amendment, supplement or refinancing after the date of this Agreement that would broaden the definition of "excepted encumbrances" as defined in the PECO Mortgage as constituted on the date of this Agreement.

"PECO Sublimit" means $800,000,000, subject to adjustment as provided in Section 2.04(c).

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

"Plan" means an employee pension benefit plan that is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which Exelon or any other member of the Controlled Group may have any liability.

"Prime Rate" means a rate per annum equal to the prime rate of interest announced by Bank One or by its parent, BANK ONE CORPORATION (which is not necessarily the lowest rate charged to any customer), changing when and as said prime rate changes.

"Principal Subsidiary" means, with respect to a Borrower, (i) each Utility Subsidiary of such Borrower and (ii) each other Subsidiary of such Borrower the assets of which exceeded $150,000,000 in book value at any time during the preceding 24-month period.

"Pro Rata Share" means, with respect to a Lender, a portion equal to a fraction the numerator of which is such Lender's Commitment Amount (plus, after the Commitments have terminated with respect to any Borrower, the principal amount of such Lender's outstanding Advances to any Borrower plus the amount of such Lender's participation in all of such Borrower's LC Obligations) and the denominator of which is the aggregate

amount of the Commitment Amounts (plus, after the Commitments have terminated with respect to any Borrower, the principal amount of all outstanding Advances to any Borrower plus all LC Obligations of such Borrower).

"Reference Banks" means Bank One, Citibank, N.A. and Credit Suisse First Boston.

"Register" - see Section 8.07(c).

"Reimbursement Obligations" means, with respect to any Borrower at any time, the aggregate of all obligations of such Borrower then outstanding under Section 2.16 to reimburse the LC Issuer for amounts paid by the LC Issuer in respect of any one or more drawings under Facility LCs.

"Reportable Event" means a reportable event as defined in Section 4043 of ERISA and regulations issued under such section with respect to a Plan, excluding, however, such events as to which the PBGC by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, provided that a failure to meet the minimum funding standard of Section 412 of the Code and Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waivers in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"S&P Rating" means, at any time for any Borrower, the rating issued by S&P and then in effect with respect to such Borrower's senior unsecured long-term public debt securities without third-party credit enhancement (it being understood that if such Borrower does not have any outstanding debt securities of the type described above but has an indicative rating from S&P for debt securities of such type, then such indicative rating shall be used for determining the "S&P Rating").

"Single Employer Plan" means a Plan maintained by Exelon or any other member of the Controlled Group for employees of Exelon or any other member of the Controlled Group.

"SPC" - see Section 8.07(h).

"Special Purpose Subsidiary" means a direct or indirect wholly owned corporate Subsidiary of ComEd or PECO, substantially all of the assets of which are "intangible transition property" (as defined in Section 18-102 of the Illinois Public Utilities Law, as amended, or in 66 Pa. Cons. Stat. Ann. ss.2812(g) (West Supp. 1997) or any successor provision of similar import), and proceeds thereof, formed solely for the purpose of holding such assets and issuing such Transitional Funding Instruments, and which

complies with the requirements customarily imposed on bankruptcy-remote corporations in receivables securitizations.

"Sublimit" means the PECO Sublimit, the Exelon Sublimit or the ComEd Sublimit.

"Subordinated Deferrable Interest Securities" means, with respect to any Borrower, all obligations of such Borrower and its Subsidiaries, as set forth from time to time in the consolidated balance sheets of such Borrower and its Subsidiaries delivered pursuant to Section 5.01(b) hereof, in respect of "ComEd-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts" or "Company-Obligated Mandatorily Redeemable Preferred Securities of a Partnership."

"Subsidiary" means, with respect to any Person, any corporation or unincorporated entity of which more than 50% of the outstanding capital stock (or comparable interest) having ordinary voting power (irrespective of whether or not at the time capital stock, or comparable interests, of any other class or classes of such corporation or entity shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned by such Person (whether directly or through one or more other Subsidiaries).

"Syndication Agent" means Citibank, N.A. in its capacity as syndication agent hereunder.

"Taxes" - see Section 2.14.

"Termination Date" means, with respect to any Borrower, the earlier of (i) December 18, 2001 or such later date to which the scheduled Termination Date may be extended pursuant to Section 2.17 (or, if any such date is not a Business Day, the next preceding Business Day) or (ii) the date of termination in whole of the Commitments to such Borrower pursuant to Section 2.04 or 6.01.

"Transitional Funding Instrument" means any instruments, pass-through certificates, notes, debentures, certificates of participation, bonds, certificates of beneficial interest or other evidences of indebtedness or instruments evidencing a beneficial interest which (i) in the case of ComEd (A) are issued pursuant to a "transitional funding order" (as such term is defined in Section 18-102 of the Illinois Public Utilities Act, as amended) issued by the Illinois Commerce Commission at the request of an electric utility and (B) are secured by or otherwise payable from non-bypassable cent per kilowatt hour charges authorized pursuant to such order to be applied and invoiced to customers of such utility and (ii) in the case of PECO, are "transition bonds" (as defined in 66 Pa. Cons. Stat. Ann. ss.2812(g) (West Supp. 1997), or any successor provision of similar import), representing a securitization of "intangible transition property" (as defined in the foregoing statute). The instrument funding charges

so applied and invoiced must be deducted and stated separately from the other charges invoiced by such utility against its customers.

"Type" - see the definition of Advance.

"Unfunded Liabilities" means, (i) in the case of any Single Employer Plan, the amount (if any) by which the present value of all vested nonforfeitable benefits under such Plan exceeds the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent evaluation date for such Plan, and (ii) in the case of any Multiemployer Plan, the withdrawal liability that would be incurred by the Controlled Group if all members of the Controlled Group completely withdrew from such Multiemployer Plan.

"Unicom" means Unicom Corporation, an Illinois corporation which was merged with and into Exelon on October 16, 2000.

"Unmatured Event of Default" means any event which (if it continues uncured) will, with lapse of time or notice or both, became an Event of Default.

"Utility Subsidiary" means, with respect to a Borrower, each Subsidiary of such Borrower that is engaged principally in the generation, transmission, or distribution of electricity or gas and is subject to rate regulation as a public utility by federal or state regulatory authorities.

"Utilization Fee Rate" - see Schedule II.

SECTION 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

SECTION 1.03. Accounting Principles. As used in this Agreement, "GAAP" shall mean generally accepted accounting principles in the United States, applied on a basis consistent with the principles used in preparing PECO's audited consolidated financial statements as of December 31, 1999 and for the fiscal year then ended. In this Agreement, except to the extent, if any, otherwise provided herein, all accounting and financial terms shall have the meanings ascribed to such terms by GAAP, and all computations and determinations as to accounting and financial matters shall be made in accordance with GAAP. In the event that the financial statements generally prepared by any Borrower apply accounting principles other than GAAP, the compliance certificate delivered pursuant to Section 5.01(b)(iv) accompanying such financial statements shall include information in reasonable detail reconciling such financial statements to GAAP to the extent relevant to the calculations set forth in such compliance certificate.

ARTICLE II

AMOUNTS AND TERMS OF THE COMMITMENTS

SECTION 2.01. Commitments. Each Lender severally agrees, on the terms and conditions hereinafter set forth, to (a) make Advances to any Borrower and (b) to participate in Facility LCs issued upon the request of any Borrower, in each case from time to time during the period from the date hereof to the Termination Date for such Borrower, in an aggregate amount not to exceed such Lender's Commitment Amount as in effect from time to time; provided that (i) the aggregate principal amount of all Advances by such Lender to any Borrower shall not exceed such Lender's Pro Rata Share of the aggregate principal amount of all Advances to such Borrower; (ii) such Lender's participation in Facility LCs issued for the account of any Borrower shall not exceed such Lender's Pro Rata Share of all LC Obligations of such Borrower; (iii) the Outstanding Credit Extensions to Exelon shall not at any time exceed the Exelon Sublimit; (iv) the Outstanding Credit Extensions to ComEd shall not any time exceed the ComEd Sublimit; (v) the Outstanding Credit Extensions to PECO shall not at any time exceed the PECO Sublimit; and (vi) the LC Obligations of all Borrowers collectively shall at any time not exceed $200,000,000. Within the foregoing limits, each Borrower may from time to time borrow, prepay pursuant to Section 2.10 and reborrow hereunder prior to the Termination Date for such Borrower.

SECTION 2.02. Procedures for Advances; Limitations on Borrowings.

(a) Any Borrower may request Advances hereunder by giving notice (a "Notice of Borrowing") to the Administrative Agent (which shall promptly advise each Lender of its receipt thereof) not later than 10:00 A.M. (Chicago time) on the third Business Day prior to the date of any proposed borrowing of Eurodollar Rate Advances and on the date of any proposed borrowing of Base Rate Advances. Each Notice of Borrowing shall be sent by telecopier, confirmed immediately in writing, and shall be in substantially the form of Exhibit B hereto, specifying therein the Borrower which is requesting Advances and the requested (i) date of borrowing (which shall be a Business Day), (ii) Type of Advances to be borrowed, (iii) aggregate amount of such Advances, and (iv) in the case of a borrowing of Eurodollar Rate Advances, the initial Interest Period therefor. Each Lender shall, before 12:00 noon (Chicago time) on the date of such borrowing, make available for the account of its Applicable Lending Office to the Administrative Agent at its address referred to in Section 8.02, in same day funds, such Lender's ratable portion of the requested borrowing. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Administrative Agent will make such funds available to the applicable Borrower at the Administrative Agent's aforesaid address.

(b) Each Notice of Borrowing shall be irrevocable and binding on the applicable Borrower. If a Notice of Borrowing requests Eurodollar Rate Advances, the applicable Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the requested borrowing date the applicable conditions set forth in Article III, including, without limitation, any loss, cost

or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the requested Advance to be made by such Lender.

(c) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any requested borrowing that such Lender will not make available to the Administrative Agent such Lender's ratable portion of such borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the requested borrowing date in accordance with subsection (a) of this Section 2.02 and the Administrative Agent may, in reliance upon such assumption, make available to the applicable Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Administrative Agent, such Lender and such Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of such Borrower, the interest rate applicable at the time to Advances made in connection with such borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Advance as part of such Borrowing for purposes of this Agreement.

(d) The failure of any Lender to make the Advance to be made by it on any borrowing date shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on such date, but no Lender shall be responsible for the failure of any other Lender to make any Advance to be made by such other Lender.

(e) Each Borrowing of Base Rate Advances shall at all times be in an aggregate amount not less than $5,000,000; and each Borrowing of Eurodollar Rate Advances shall at all times be in an aggregate amount not less than $10,000,000. Notwithstanding anything to the contrary contained herein, the Borrowers collectively may not have more than 25 Borrowings of Eurodollar Rate Advances outstanding at any time.

SECTION 2.03. Facility and Utilization Fees.

(a) Each Borrower agrees to pay to the Administrative Agent, for the account of the Lenders according to their Pro Rata Shares, a facility fee in an amount equal to the Facility Fee Rate for such Borrower multiplied by such Borrower's Sublimit (or, after termination of the Commitments, the principal amount of all outstanding Advances to such Borrower), payable on the last day of each March, June, September and December and on the Termination Date for such Borrower (and, if applicable, thereafter on demand).

(b) Utilization Fee. Each Borrower agrees to pay to the Administrative Agent for the account of the Lenders according to their Pro Rata Shares a utilization fee for each day on which either (i) the Outstanding Credit Extensions to all Borrowers exceed 33-1/3% of the aggregate amount of the Commitment Amounts or (ii) such Borrower's Outstanding Credit Extensions exceed 33-1/3% of such Borrower's Sublimit, in each case in an amount equal to the

Utilization Fee Rate for such Borrower multiplied by such Borrower's Outstanding Credit Extensions on such day, payable on the last day of each March, June, September and December and on the Termination Date for such Borrower.

SECTION 2.04. Reduction of Commitment Amounts; Adjustment of Sublimits. (a) Each Borrower shall have the right, upon at least two Business Days' notice to the Administrative Agent, to ratably reduce the respective Commitment Amounts of the Lenders in accordance with their Pro Rata Shares; provided that no Borrower may reduce the Commitment Amounts by an amount that is greater than the remainder of the amount of such Borrower's Sublimit minus the Outstanding Credit Extensions to such Borrower; and provided, further, that each partial reduction of the Commitment Amounts shall be in the aggregate amount of $10,000,000 or an integral multiple thereof. Once reduced pursuant to this Section 2.04, the Commitment Amounts may not be increased.

(b) Any Borrower shall have the right at any time such Borrower's Sublimit has been reduced to zero, upon at least two Business Days' notice to the Administrative Agent, to terminate the Commitment with respect to such Borrower in its entirety (but only if such Borrower concurrently pays all of its obligations hereunder). Upon any such termination, such Borrower shall cease to be a party hereto and shall no longer have any rights or obligations hereunder (except under provisions hereof which by their terms would survive any termination hereof).

(c) The Borrowers may from time to time so long as no Event of Default or Unmatured Event of Default exists with respect to any Borrower, upon not less than five Business Days' notice to the Administrative Agent (which shall promptly notify each Lender), change their respective Sublimits; provided that (i) the sum of the Sublimits shall at all times be equal to the aggregate amount of the Commitment Amounts; and (ii) after giving effect to any adjustment of the Sublimits, (A) each Sublimit shall be an integral multiple of $100,000,000 (except that one Sublimit may not be such an integral multiple if the aggregate amount of the Commitment Amounts is not an integral multiple of $100,000,000); (B) no Sublimit shall exceed $1,000,000,000; (C) the Outstanding Credit Extension to Exelon shall not exceed the Exelon Sublimit; (D) the Outstanding Credit Extension to ComEd shall not exceed the ComEd Sublimit; and (E) the Outstanding Credit Extension to PECO shall not exceed the PECO Sublimit.

SECTION 2.05. Repayment of Advances. Each Borrower shall repay the principal amount of all Advances made to it on or before the Termination Date for such Borrower.

SECTION 2.06. Interest on Advances. Each Borrower shall pay interest on the unpaid principal amount of each Advance made to it from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(a) At all times such Advance is a Base Rate Advance, a rate per annum equal to the Base Rate in effect from time to time, payable quarterly on the last day of each March,

June, September and December and on the date such Base Rate Advance is converted to a Eurodollar Rate Advance or paid in full.

(b) Subject to Section 2.07, at all times such Advance is a Eurodollar Rate Advance, a rate per annum equal to the sum of the Eurodollar Rate for each applicable Interest Period plus the Applicable Margin in effect from time to time for such Borrower, payable on the last day of each Interest Period for such Eurodollar Rate Advance (and, if any Interest Period for such Advance is six months, on the day that is three months after the first day of such Interest Period) or, if earlier, on the date such Eurodollar Rate Advance is converted to a Base Rate Advance or paid in full.

SECTION 2.07. Additional Interest on Eurodollar Advances. Each Borrower shall pay to each Lender, so long as such Lender shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency Liabilities, additional interest on the unpaid principal amount of each Eurodollar Rate Advance of such Lender made to such Borrower, from the date of such Advance until such principal amount is paid in full or converted to a Base Rate Advance, at an interest rate per annum equal to the remainder obtained by subtracting (i) the Eurodollar Rate for each Interest Period for such Advance from (ii) the rate obtained by dividing such Eurodollar Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of such Lender for such Interest Period, payable on each date on which interest is payable on such Advance; provided that no Lender shall be entitled to demand such additional interest more than 90 days following the last day of the Interest Period in respect of which such demand is made; provided further, however, that the foregoing proviso shall in no way limit the right of any Lender to demand or receive such additional interest to the extent that such additional interest relates to the retroactive application of the reserve requirements described above if such demand is made within 90 days after the implementation of such retroactive reserve requirements. Such additional interest shall be determined by the applicable Lender and notified to the applicable Borrower through the Administrative Agent, and such determination shall be conclusive and binding for all purposes, absent manifest error.

SECTION 2.08. Interest Rate Determination. (a) Each Reference Bank agrees to furnish to the Administrative Agent timely information for the purpose of determining each Eurodollar Rate. If any one of the Reference Banks shall not furnish such timely information to the Administrative Agent for the purpose of determining any such interest rate, the Administrative Agent shall determine such interest rate on the basis of timely information furnished by the remaining Reference Banks.

(b) The Administrative Agent shall give prompt notice to the applicable Borrower and the Lenders of each applicable interest rate determined by the Administrative Agent for purposes of Section 2.06(a) or (b), and the applicable rate, if any, furnished by each Reference Bank for the purpose of determining each applicable interest rate under Section 2.06(b).

(c) If all of the Reference Banks fail to furnish timely information to the Administrative Agent for determining the Eurodollar Rate for any Eurodollar Rate Advances,

(i) the Administrative Agent shall forthwith notify the applicable Borrower and the Lenders that the interest rate cannot be determined for such Eurodollar Rate Advances,

(ii) each such Advance will automatically, on the last day of the then existing Interest Period therefor, convert into a Base Rate Advance (or if such Advance is then a Base Rate Advance, will continue as a Base Rate Advance), and

(iii) the obligation of the Lenders to make, continue or convert into Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the applicable Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(d) If, with respect to any Eurodollar Rate Advances, the Majority Lenders notify the Administrative Agent that the Eurodollar Rate for any Interest Period for such Advances will not adequately reflect the cost to such Majority Lenders of making, funding or maintaining their respective Eurodollar Rate Advances for such Interest Period, the Administrative Agent shall forthwith so notify the applicable Borrower and the Lenders, whereupon

(i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor (unless prepaid or converted to a Base Rate Advance prior to such day), convert into a Base Rate Advance, and

(ii) the obligation of the Lenders to make, continue or convert into Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the applicable Borrower and the Lenders that the circumstances causing such suspension no longer exist.

SECTION 2.09. Continuation and Conversion of Advances. (a) Any Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 10:00 A.M. (Chicago time) on the third Business Day prior to the date of any proposed continuation of or conversion into Eurodollar Rate Advances, and on the date of any proposed conversion into Base Rate Advances, and subject to the provisions of Sections 2.08 and 2.12, continue Eurodollar Rate Advances for a new Interest Period or convert a Borrowing of Advances of one Type into Advances of the other Type; provided, that any continuation of Eurodollar Rate Advances or conversion of Eurodollar Rate Advances into Base Rate Advances shall be made on, and only on, the last day of an Interest Period for such Eurodollar Rate Advances, unless, in the case of such a conversion, such Borrower shall also reimburse the Lenders pursuant to Section 8.04(b) on the date of such conversion. Each such notice of a continuation or conversion shall, within the restrictions specified above, specify (i) the date of such continuation or conversion, (ii) the

Advances to be continued or converted, and (iii) in the case of continuation of or conversion into Eurodollar Rate Advances, the duration of the Interest Period for such Advances.

(b) If a Borrower shall fail to select the Type of any Advance or the duration of any Interest Period for any Borrowing of Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01 and Section 2.09(a), the Administrative Agent will forthwith so notify such Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, convert into Base Rate Advances.

SECTION 2.10. Prepayments. Any Borrower may, upon notice to the Administrative Agent at least three Business Days prior to any prepayment of Eurodollar Rate Advances, or one Business Day's notice prior to any prepayment of Base Rate Advances, in each case stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given that Borrower shall, prepay the outstanding principal amounts of the Advances made as part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided that (i) each partial prepayment shall be in an aggregate principal amount not less than $10,000,000 or a higher integral multiple of $1,000,000 in the case of any prepayment of Eurodollar Rate Advances and $5,000,000 or a higher integral multiple of $1,000,000 in the case of any prepayment of Base Rate Advances, and (ii) in the case of any such prepayment of a Eurodollar Rate Advance, such Borrower shall be obligated to reimburse the Lenders pursuant to Section 8.04(b) on the date of such prepayment.

SECTION 2.11. Increased Costs. (a) If on or after the date of this Agreement, any Lender or the LC Issuer determines that (i) the introduction of or any change (other than, in the case of Eurodollar Rate Advances, any change by way of imposition or increase of reserve requirements, included in the Eurodollar Rate Reserve Percentage) in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law) shall increase the cost to such Lender or the LC Issuer, as the case may be, of agreeing to make or making, funding or maintaining Eurodollar Rate Advances or of issuing or participating in any Facility LC, then the applicable Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to the Administrative Agent) or the LC Issuer, as applicable, pay to the Administrative Agent for the account of such Lender additional amounts (without duplication of any amount payable pursuant to Section 2.14) sufficient to compensate such Lender or the LC Issuer, as applicable, for such increased cost; provided that no Lender shall be entitled to demand such compensation more than 90 days following the last day of the Interest Period in respect of which such demand is made and the LC Issuer shall not be entitled to demand such compensation more than 90 days following the expiration or termination (by a drawing or otherwise) of the Facility LC in respect of which such demand is made; provided further, however, that the foregoing proviso shall in no way limit the right of any Lender or the LC Issuer to demand or receive such compensation to the extent that such compensation relates to the retroactive application of any law, regulation, guideline or request described in clause (i) or (ii) above if such demand is made within 90 days after the implementation of such retroactive law, interpretation, guideline or

request. A certificate as to the amount of such increased cost, submitted to the applicable Borrower and the Administrative Agent by a Lender or the LC Issuer, shall be conclusive and binding for all purposes, absent manifest error.

(b) If any Lender or the LC Issuer determines that, after the date of this Agreement, compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) regarding capital adequacy requirements affects or would affect the amount of capital required or expected to be maintained by such Lender or the LC Issuer or any Person controlling such Lender or the LC Issuer (including, in any event, any determination after the date of this Agreement by any such governmental authority or central bank that, for purposes of capital adequacy requirements, any Lender's Commitment to a Borrower or the LC Issuer's commitment to issue Facility LCs for the account of such Borrower as the case may be does not constitute a commitment with an original maturity of less than one year) and that the amount of such capital is increased by or based upon the existence of such Lender's Commitment to such Borrower or the LC Issuer's commitment to issue Facility LCs for the account of such Borrower, as applicable, or the Advances made by such Lender to such Borrower or Reimbursement Obligations owed to the LC Issuer by such Borrower, as the case may be, then, upon demand by such Lender (with a copy of such demand to the Administrative Agent) or the LC Issuer, as applicable, such Borrower shall immediately pay to the Administrative Agent for the account of such Lender or LC Issuer, as applicable, from time to time as specified by such Lender or the LC Issuer, as applicable, additional amounts sufficient to compensate such Lender, the LC Issuer or such controlling Person, as applicable, in the light of such circumstances, to the extent that such Lender determines such increase in capital to be allocable to the existence of such Lender's Commitment to such Borrower or the Advances made by such Lender to such Borrower or the LC Issuer determines such increase in capital to be allocable to the LC Issuer's commitment to issue Facility LCs for the account of such Borrower or the Reimbursement Obligations owed by such Borrower to the LC Issuer; provided that no Lender or the LC Issuer shall be entitled to demand such compensation more than one year following the payment to or for the account of such Lender of all other amounts payable hereunder by such Borrower and under any Note of such Borrower held by such Lender and the termination of such Lender's Commitment to such Borrower and the LC Issuer shall not be entitled to demand such compensation more than one year after the expiration or termination (by drawing or otherwise) of all Facility LCs issues for the account of such Borrowers and the termination of the LC Issuer's commitment to issue Facility LCs for the account of such Borrower; provided further, however, that the foregoing proviso shall in no way limit the right of any Lender or the LC Issuer to demand or receive such compensation to the extent that such compensation relates to the retroactive application of any law, regulation, guideline or request described above if such demand is made within one year after the implementation of such retroactive law, interpretation, guideline or request. A certificate as to such amounts submitted to the applicable Borrower and the Administrative Agent by the applicable Lender or the LC Issuer shall be conclusive and binding, for all purposes, absent manifest error.

(c) Any Lender claiming compensation pursuant to this Section 2.11 shall use its best efforts (consistent with its internal policy and legal and regulatory restrictions) to change

the jurisdiction of its Applicable Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any such compensation that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

SECTION 2.12. Illegality. Notwithstanding any other provision of this Agreement, if any Lender shall notify the Administrative Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for such Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or to fund or maintain Eurodollar Rate Advances hereunder, (i) the obligation of such Lender to make, continue or convert Advances into Eurodollar Rate Advances shall be suspended (subject to the following paragraph of this Section 2.12) until the Administrative Agent shall notify the applicable Borrower and the Lenders that the circumstances causing such suspension no longer exist and (ii) all Eurodollar Rate Advances of such Lender then outstanding shall, on the last day of then applicable Interest Period (or such earlier date as such Lender shall designate upon not less than five Business Days prior written notice to the Administrative Agent), be automatically converted into Base Rate Advances.

If the obligation of any Lender to make, continue or convert into Eurodollar Rate Advances has been suspended pursuant to the preceding paragraph, then, unless and until the Administrative Agent shall notify the applicable Borrower and the Lenders that the circumstances causing such suspension no longer exist, (i) all Advances that would otherwise be made by such Lender as Eurodollar Rate Advances shall instead be made as Base Rate Advances and (ii) to the extent that Eurodollar Rate Advances of such Lender have been converted into Base Rate Advances pursuant to the preceding paragraph or made instead as Base Rate Advances pursuant to the preceding clause (i), all payments and prepayments of principal that would have otherwise been applied to such Eurodollar Rate Advances of such Lender shall be applied instead to such Base Rate Advances of such Lender.

SECTION 2.13. Payments and Computations. (a) Each Borrower shall make each payment hereunder and under any Note issued by such Borrower not later than 10:00 A.M. (Chicago time) on the day when due in U.S. dollars to the Administrative Agent at its address referred to in Section 8.02 in same day funds without setoff, counterclaim or other deduction. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal, interest, facility fees, utilization fees and letter of credit fees ratably (other than amounts payable pursuant to Section 2.02(b), 2.07, 2.11, 2.14 or 8.04(b)) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.07(d), from and after the effective date specified in such Assignment and Acceptance, the Administrative Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make

all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) Each Borrower hereby authorizes each Lender, if and to the extent any payment owed to such Lender by such Borrower is not made when due hereunder, to charge from time to time against any or all of such Borrower's accounts with such Lender any amount so due.

(c) All computations of interest based on the Prime Rate shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the Eurodollar Rate or the Federal Funds Rate and of fees shall be made by the Administrative Agent, and all computations of interest pursuant to Section 2.07 shall be made by a Lender, on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable. Each determination by the Administrative Agent (or, in the case of Section 2.07, by a Lender) of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of any interest or fees, as the case may be; provided that if such extension would cause payment of interest on or principal of a Eurodollar Rate Advance to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(e) Unless the Administrative Agent shall have received notice from a Borrower prior to the date on which any payment is due by such Borrower to the Lenders hereunder that such Borrower will not make such payment in full, the Administrative Agent may assume that such Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that such Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

(f) Notwithstanding anything to the contrary contained herein, any amount payable by a Borrower hereunder that is not paid when due (whether at stated maturity, by acceleration or otherwise) shall (to the fullest extent permitted by law) bear interest from the date when due until paid in full at a rate per annum equal at all times to the Base Rate plus 2%, payable upon demand.

SECTION 2.14. Taxes. (a) Any and all payments by any Borrower hereunder or under any Note issued by such Borrower shall be made, in accordance with Section 2.13, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions,

charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender, the LC Issuer and the Administrative Agent, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction under the laws of which such Lender, the LC Issuer or the Administrative Agent (as the case may be) is organized or any political subdivision thereof and, in the case of each Lender, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If a Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note issued by such Borrower to any Lender, the LC Issuer or the Administrative Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.14) such Lender, the LC Issuer or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, each Borrower severally agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies to the extent arising from the execution, delivery or registration of this Agreement or the Notes (hereinafter referred to as "Other Taxes"), in each case to the extent attributable to such Borrower; it being understood that to the extent any Other Taxes so payable are not attributable to any particular Borrower, each Borrower shall pay its proportionate share thereof according to the amounts of the Borrowers' respective Sublimits at the time such Other Taxes arose.

(c) No Lender may claim or demand payment or reimbursement in respect of any Taxes or Other Taxes pursuant to this Section 2.14 if such Taxes or Other Taxes, as the case may be, were imposed solely as the result of a voluntary change in the location of the jurisdiction of such Lender's Applicable Lending Office.

(d) Each Borrower will indemnify each Lender, the LC Issuer and the Administrative Agent for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.14) paid by such Lender, the LC Issuer or the Administrative Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted, in each case to the extent attributable to such Borrower; it being understood that to the extent any Taxes, Other Taxes or other liabilities described above are not attributable to a particular Borrower, each Borrower shall pay its proportionate share thereof according to the amounts of the Borrowers' respective Sublimits at the time such Taxes, Other Taxes or other liability arose. This indemnification shall be made within 30 days from the date such Lender, the LC Issuer or the Administrative Agent (as the case may be) makes written demand therefor.

(e) Prior to the date of an initial borrowing hereunder in the case of each Lender listed on the signature pages hereof, and on the date of the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender, and from time to time thereafter within 30 days from the date of request if requested by any Borrower or the Administrative Agent, each Lender organized under the laws of a jurisdiction outside the United States shall provide the Administrative Agent and each Borrower with the forms prescribed by the Internal Revenue Service of the United States certifying that such Lender is exempt from United States withholding taxes with respect to all payments to be made to such Lender hereunder and under the Notes. If for any reason during the term of this Agreement, any Lender becomes unable to submit the forms referred to above or the information or representations contained therein are no longer accurate in any material respect, such Lender shall notify the Administrative Agent and the Borrowers in writing to that effect. Unless the Borrowers and the Administrative Agent have received forms or other documents satisfactory to them indicating that payments hereunder or under any Note are not subject to United States withholding tax, the Borrowers or the Administrative Agent shall withhold taxes from such payments at the applicable statutory rate in the case of payments to or for any Lender organized under the laws of a jurisdiction outside the United States and no Lender may claim or demand payment or reimbursement for such withheld taxes pursuant to this Section 2.14.

(f) Any Lender claiming any additional amounts payable pursuant to this Section 2.14 shall use its best efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Applicable Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts which may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

(g) If a Borrower makes any additional payment to any Lender pursuant to this Section 2.14 in respect of any Taxes or Other Taxes, and such Lender determines that it has received (i) a refund of such Taxes or Other Taxes or (ii) a credit against or relief or remission for, or a reduction in the amount of, any tax or other governmental charge attributable solely to any deduction or credit for any Taxes or Other Taxes with respect to which it has received payments under this Section 2.14, such Lender shall, to the extent that it can do so without prejudice to the retention of such refund, credit, relief, remission or reduction, pay to such Borrower such amount as such Lender shall have determined to be attributable to the deduction or withholding of such Taxes or Other Taxes. If, within one year after the payment of any such amount to such Borrower, such Lender determines that it was not entitled to such refund, credit, relief, remission or reduction to the full extent of any payment made pursuant to the first sentence of this Section 2.14(g), such Borrower shall upon notice and demand of such Lender promptly repay the amount of such overpayment. Any determination made by a Lender pursuant to this Section 2.14(g) shall in the absence of bad faith or manifest error be conclusive, and nothing in this Section 2.14(g) shall be construed as requiring any Lender to conduct its business or to arrange or alter in any respect its tax or financial affairs (except as required by Section 2.14(f)) so

that it is entitled to receive such a refund, credit or reduction or as allowing any Person to inspect any records, including tax returns, of such Lender.

(h) Without prejudice to the survival of any other agreement of any Borrower or any Lender hereunder, the agreements and obligations of the Borrowers and the Lenders contained in this Section 2.14 shall survive the payment in full of principal and interest hereunder and under the Notes; provided that no Lender shall be entitled to demand any payment from a Borrower under this Section 2.14 more than one year following the payment to or for the account of such Lender of all other amounts payable by such Borrower hereunder and under any Note issued by such Borrower to such Lender and the termination of such Lender's Commitment to such Borrower; provided further, however, that the foregoing proviso shall in no way limit the right of any Lender to demand or receive any payment under this Section 2.14 to the extent that such payment relates to the retroactive application of any Taxes or Other Taxes if such demand is made within one year after the implementation of such Taxes or Other Taxes.

SECTION 2.15. Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances made by it to any Borrower or its participation interest in any Facility LC issued for the account of any Borrower (other than pursuant to Section 2.02(b), 2.07, 2.11, 2.14 or 8.04(b)) in excess of its ratable share of payments on account of the Advances to such Borrower and Facility LCs issued for the account of such Borrower obtained by all Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Advances made by them to such Borrower and/or LC Obligations of such Borrower as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them, provided, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrowers agree that any Lender so purchasing a participation from another Lender pursuant to this Section 2.15 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the applicable Borrower in the amount of such participation.

SECTION 2.16. Facility LCs.

SECTION 2.16.1. Issuance. The LC Issuer hereby agrees, on the terms and conditions set forth in this Agreement (including the limitations set forth in Section 2.01), upon the request of any Borrower, to issue standby letters of credit (each a "Facility LC") and to renew, extend, increase, decrease or otherwise modify Facility LCs ("Modify," and each such action a "Modification") for such Borrower, from time to time from and including the date of this Agreement and prior to the Termination Date for such

Borrower. No Facility LC shall have an expiry date later than the fifth Business Day prior to the scheduled Termination Date for the applicable Borrower.

SECTION 2.16.2. Participations. Upon the issuance or Modification by the LC Issuer of a Facility LC in accordance with this Section 2.16, the LC Issuer shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably sold to each Lender, and each Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the LC Issuer, a participation in such Facility LC (and each Modification thereof) and the related LC Obligations in proportion to its Pro Rata Share.

SECTION 2.16.3. Notice. Subject to Section 2.16.1, the applicable Borrower shall give the LC Issuer notice prior to 10:00 A.M. (Chicago time) at least five Business Days prior to the proposed date of issuance or Modification of each Facility LC, specifying the beneficiary, the proposed date of issuance (or Modification) and the expiry date of such Facility LC, and describing the proposed terms of such Facility LC and the nature of the transactions proposed to be supported thereby. Upon receipt of such notice, the LC Issuer shall promptly notify the Administrative Agent, and the Administrative Agent shall promptly notify each Lender, of the contents thereof and of the amount of such Lender's participation in such proposed Facility LC. The issuance or Modification by the LC Issuer of any Facility LC shall, in addition to the applicable conditions precedent set forth in Article III (the satisfaction of which the LC Issuer shall have no duty to ascertain), be subject to the conditions precedent that such Facility LC shall be satisfactory to the LC Issuer and that the applicable Borrower shall have executed and delivered such application agreement and/or such other instruments and agreements relating to such Facility LC as the LC Issuer shall have reasonably requested (each a "Facility LC Application"). In the event of any conflict between the terms of this Agreement and the terms of any Facility LC Application, the terms of this Agreement shall control.

SECTION 2.16.4. LC Fees. Each Borrower shall pay to the Agent, for the account of the Lenders ratably in accordance with their respective Pro Rata Shares, with respect to each Facility LC issued for the account of such Borrower, a letter of credit fee at a per annum rate equal to the LC Fee Rate to such Borrower in effect from time to time on the average daily undrawn stated amount under such Facility LC, such fee to be payable in arrears on the last day of each March, June, September and December and on the Termination Date for such Borrower (and thereafter on demand). Each Borrower shall also pay to the LC Issuer for its own account (x) a fronting fee in an amount and at the times agreed upon between the LC Issuer and such Borrower and (y) documentary and processing charges in connection with the issuance or Modification of and draws under Facility LCs in accordance with the LC Issuer's standard schedule for such charges as in effect from time to time.

SECTION 2.16.5. Administration; Reimbursement by Lenders. Upon receipt from the beneficiary of any Facility LC of any demand for payment under such Facility LC, the LC Issuer shall notify the Administrative Agent and the Administrative Agent shall promptly notify the applicable Borrower and each Lender as to the amount to be paid by the LC Issuer as a result of such demand and the proposed payment date (the "LC Payment Date"). The responsibility of the LC Issuer to the applicable Borrower and each Lender shall be only to determine that the documents (including each demand for payment) delivered under each Facility LC in connection with such presentment shall be in conformity in all material respects with such Facility LC. The LC Issuer shall endeavor to exercise the same care in the issuance and administration of the Facility LCs as it does with respect to letters of credit in which no participations are granted, it being understood that in the absence of any gross negligence or willful misconduct by the LC Issuer, each Lender shall be unconditionally and irrevocably liable, without regard to the occurrence of any Event of Default or Unmatured Event of Default or any condition precedent whatsoever, to reimburse the LC Issuer on demand for (i) such Lender's Pro Rata Share of the amount of each payment made by the LC Issuer under each Facility LC to the extent such amount is not reimbursed by the applicable Borrower pursuant to Section 2.16.6 below, plus (ii) interest on the foregoing amount to be reimbursed by such Lender, for each day from the date of the LC Issuer's demand for such reimbursement (or, if such demand is made after 11:00 A.M. (Chicago time) on such day, from the next succeeding Business Day) to the date on which such Lender pays the amount to be reimbursed by it, at a rate of interest per annum equal to the Federal Funds Rate for the first three days and, thereafter, at the Base Rate.

SECTION 2.16.6. Reimbursement by Borrowers. Each Borrower shall be irrevocably and unconditionally obligated to reimburse the LC Issuer on or before the applicable LC Payment Date for any amounts to be paid by the LC Issuer upon any drawing under any Facility LC issued for the account of such Borrower, without presentment, demand, protest or other formalities of any kind; provided that neither the applicable Borrower nor any Lender shall hereby be precluded from asserting any claim for direct (but not consequential) damages suffered by such Borrower or such Lender to the extent, but only to the extent, caused by (i) the willful misconduct or gross negligence of the LC Issuer in determining whether a request presented under any Facility LC complied with the terms of such Facility LC or (ii) the LC Issuer's failure to pay under any Facility LC after the presentation to it of a request strictly complying with the terms and conditions of such Facility LC. All such amounts paid by the LC Issuer and remaining unpaid by the applicable Borrower shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the Base Rate plus 2%. The LC Issuer will pay to each Lender ratably in accordance with its Pro Rata Share all amounts received by it from any Borrower for application in payment, in whole or in part, of the Reimbursement Obligation in respect of any Facility LC issued by the LC Issuer, but only to the extent such Lender has made payment to the LC Issuer in respect of such Facility LC pursuant to Section 2.16.5. Subject to the terms and conditions of this Agreement (including the submission of a Notice of Borrowing in compliance with Section 2.02 and

the satisfaction of the applicable conditions precedent set forth in Article III), a Borrower may request Advances hereunder for the purpose of satisfying any Reimbursement Obligation.

SECTION 2.16.7. Obligations Absolute. Each Borrower's obligations under this Section 2.16 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which such Borrower may have against the LC Issuer, any Lender or any beneficiary of a Facility LC. Each Borrower agrees with the LC Issuer and the Lenders that the LC Issuer and the Lenders shall not be responsible for, and such Borrower's Reimbursement Obligation in respect of any Facility LC issued for its account shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, fraudulent or forged, or any dispute between or among such Borrower, any of its Affiliates, the beneficiary of any Facility LC or any financing institution or other party to whom any Facility LC may be transferred or any claims or defenses whatsoever of such Borrower or of any of its Affiliates against the beneficiary of any Facility LC or any such transferee. The LC Issuer shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Facility LC. Each Borrower agrees that any action taken or omitted by the LC Issuer or any Lender under or in connection with any Facility LC issued for the account of such Borrower and the related drafts and documents, if done without gross negligence or willful misconduct, shall be binding upon such Borrower and shall not put the LC Issuer or any Lender under any liability to such Borrower. Nothing in this Section 2.16.7 is intended to limit the right of any Borrower to make a claim against the LC Issuer for damages as contemplated by the proviso to the first sentence of Section 2.16.6.

SECTION 2.16.8. Actions of LC Issuer. The LC Issuer shall be entitled to rely, and shall be fully protected in relying, upon any Facility LC, draft, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the LC Issuer. The LC Issuer shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first have received such advice or concurrence of the Majority Lenders as it reasonably deems appropriate or it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Notwithstanding any other provision of this Section 2.16, the LC Issuer shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Majority Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Lenders and any future holder of a participation in any Facility LC.

SECTION 2.16.9. Indemnification. Each Borrower hereby agrees to indemnify and hold harmless each Lender, the LC Issuer and the Agent, and their respective directors, officers, agents and employees, from and against any and all claims and damages, losses, liabilities, costs or expenses which such Lender, the LC Issuer or the Agent may incur (or which may be claimed against such Lender, the LC Issuer or the Agent by any Person whatsoever) by reason of or in connection with the issuance, execution and delivery or transfer of or payment or failure to pay under any Facility LC issued for the account of such Borrower or any actual or proposed use of any such Facility LC, including, without limitation, any claims, damages, losses, liabilities, costs or expenses which the LC Issuer may incur by reason of or in connection with (i) the failure of any other Lender to fulfill or comply with its obligations to the LC Issuer hereunder (but nothing herein contained shall affect any right such Borrower may have against any defaulting Lender) or (ii) by reason of or on account of the LC Issuer issuing any such Facility LC which specifies that the term "Beneficiary" included therein includes any successor by operation of law of the named Beneficiary, but which Facility LC does not require that any drawing by any such successor Beneficiary be accompanied by a copy of a legal document, satisfactory to the LC Issuer, evidencing the appointment of such successor Beneficiary; provided that no Borrower shall be required to indemnify any Lender, the LC Issuer or the Agent for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (x) the willful misconduct or gross negligence of the LC Issuer in determining whether a request presented under any Facility LC complied with the terms of such Facility LC or (y) the LC Issuer's failure to pay under any Facility LC after the presentation to it of a request strictly complying with the terms and conditions of such Facility LC. Nothing in this Section 2.16.9 is intended to limit the obligations of any Borrower under any other provision of this Agreement.

SECTION 2.16.10. Lenders' Indemnification. Each Lender shall, ratably in accordance with its Pro Rata Share, indemnify the LC Issuer, its affiliates and their respective directors, officers, agents and employees (to the extent not reimbursed by the Borrower) against any cost, expense (including reasonable counsel fees and disbursements), claim, demand, action, loss or liability (except such as result from such indemnitees' gross negligence or willful misconduct or the LC Issuer's failure to pay under any Facility LC after the presentation to it of a request strictly complying with the terms and conditions of the Facility LC) that such indemnitees may suffer or incur in connection with this Section 2.16 or any action taken or omitted by such indemnitees hereunder.

SECTION 2.16.11. Rights as a Lender. In its capacity as a Lender, the LC Issuer shall have the same rights and obligations as any other Lender.

SECTION 2.17. Extension of Termination Date. Exelon may request an extension of the scheduled Termination Date for all Borrowers by submitting a request for an extension to the Administrative Agent (an "Extension Request") no more than 60 days prior to the scheduled Termination Date then in effect. The Extension Request must specify the new scheduled

Termination Date requested by Exelon and the date (which must be at least 30 days after the Extension Request is delivered to the Administrative Agent) as of which the Lenders must respond to the Extension Request (the "Response Date"). The new scheduled Termination Date shall be 364 days after the scheduled Termination Date in effect at the time an Extension Request is received, including the scheduled Termination Date as one of the days in the calculation of the days elapsed. Promptly upon receipt of an Extension Request, the Administrative Agent shall notify each Lender of the contents thereof and shall request each Lender to approve such Extension Request, which approval shall be at the sole discretion of each Lender. Each Lender approving such Extension Request shall deliver its written consent no later than the Response Date. If the written consent of each of the Lenders (excluding any Person which ceases to be a Lender pursuant to Section 8.07(g)(iii)) is received by the Administrative Agent, the new scheduled Termination Date specified in the Extension Request shall become effective on the existing scheduled Termination Date and the Administrative Agent shall promptly notify each Borrower and each Lender of the new scheduled Termination Date. If all Lenders (including any Person which becomes a Lender pursuant to Section 8.07(g)) do not consent to an Extension Request, the scheduled Termination Date shall not be extended pursuant to such Extension Request.

ARTICLE III

CONDITIONS TO CREDIT EXTENSIONS

SECTION 3.01. Conditions Precedent to Initial Credit Extensions. No Lender shall be obligated to make any Advance, and the LC Issuer shall not be obligated to issue any Facility LC, unless the Administrative Agent shall have received (a) evidence, satisfactory to the Administrative Agent, that the Borrowers have paid (or will pay with the proceeds of the initial Credit Extensions) all amounts then payable under each of the Existing Agreements and (b) each of the following documents, each dated the date of the initial Credit Extension (or an earlier date satisfactory to the Administrative Agent, in form and substance satisfactory to the Administrative Agent and each except for the Notes) in sufficient copies to provide one for each Lender:

(i) The Notes payable to the order of each of the Lenders, respectively;

(ii) Certified copies of resolutions of the Board of Directors or equivalent managing body of each Borrower approving the transactions contemplated by this Agreement and the Notes and of all documents evidencing other necessary organizational action of such Borrower with respect to this Agreement and the documents contemplated hereby;

(iii) A certificate of the Secretary or an Assistant Secretary of each Borrower certifying (A) the names and true signatures of the officers of such Borrower authorized to sign this Agreement and the other documents to be delivered hereunder; (B) that attached thereto are true and correct copies of the

articles or certificate of incorporation and by-laws, or equivalent organizational documents, of such Borrower, in each case in effect on such date; and (C) that attached thereto are true and correct copies of all governmental and regulatory authorizations and approvals required for the due execution, delivery and performance by such Borrower of this Agreement and the documents contemplated hereby;

(iv) A certificate signed by either the chief financial officer, principal accounting officer or treasurer of each Borrower stating that (A) the representations and warranties contained in Section 4.01 are correct on and as of the date of such certificate as though made on and as of such date and (B) no Event of Default or Unmatured Event of Default has occurred and is continuing on the date of such certificate; and

(v) Favorable opinions of Ballard Spahr Andrews & Ingersoll LLC, special counsel for the Borrowers, and Sidley & Austin, special counsel for ComEd, substantially in the form of Exhibits D-1 and D-2 hereto, respectively.

SECTION 3.02. Conditions Precedent to All Credit Extensions. The obligation of each Lender to make any Advance to any Borrower and of the LC Issuer to issue or modify any Facility LC for the account of any Borrower shall be subject to the further conditions precedent that on the date of such Credit Extension the following statements shall be true, and (i) the giving of the applicable Notice of Borrowing and the acceptance by the applicable Borrower of the proceeds of Advances pursuant thereto and (ii) the request by a Borrower for the issuance or modification of a Facility LC shall, in each case, constitute a representation and warranty by such Borrower that on the date of the making of such Advances or the issuance or modification of such Facility LC such statements are true:

(A) The representations and warranties of such Borrower contained in Section 4.01 are correct on and as of the date of such Credit Extension, before and after giving effect to such Credit Extension and, in the case of the making of Advances, the application of the proceeds therefrom, as though made on and as of such date; and

(B) No event has occurred and is continuing, or would result from such Credit Extension or, in the case of the making of Advances, from the application of the proceeds therefrom, that constitutes an Event of Default or Unmatured Event of Default with respect to such Borrower.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrowers. Each Borrower represents and warrants as follows:

(a) Such Borrower is a corporation, limited liability company or business trust duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization.

(b) The execution, delivery and performance by such Borrower of this Agreement and the Notes issued by such Borrower are within such Borrower's powers, have been duly authorized by all necessary organizational action on the part of such Borrower, and do not and will not contravene (i) the articles or certificate of incorporation, by-laws or the organizational documents of such Borrower, (ii) applicable law or (iii) any contractual or legal restriction binding on or affecting the properties of such Borrower or any of its Subsidiaries.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by such Borrower of this Agreement or the applicable Notes, except an appropriate order or orders of the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935, which order or orders have been duly obtained and are (x) in full force and effect and (y) sufficient for the purposes hereof.

(d) This Agreement is, and the applicable Notes when delivered hereunder will be, legal, valid and binding obligations of such Borrowers, enforceable against such Borrower in accordance with their respective terms, except as the enforceability thereof may be limited by equitable principles or bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

(e) (i) In the case of PECO, the consolidated balance sheet of such Borrower and its Subsidiaries as at December 31, 1999, and the related statements of income and retained earnings and of cash flows of such Borrower and its Subsidiaries for the fiscal year then ended, certified by Pricewaterhouse Coopers LLP, and the unaudited consolidated balance sheet of such Borrower and its Subsidiaries as at September 30, 2000, and the related unaudited statements of income for the nine-month period then ended, copies of which have been furnished to each Lender, fairly present in all material respects (subject, in the case of such balance sheets and statements of income for the period ended June 30, 2000, to year-end adjustments) the consolidated financial condition of such Borrower and its Subsidiaries as at such dates and the consolidated results of the operations of such Borrower and its Subsidiaries for the periods ended on such dates, all in accordance with GAAP; and since September 30, 2000 there has been no Material Adverse Change with respect to PECO.

(ii) In the case of ComEd, the consolidated balance sheet of such Borrower and its Subsidiaries as at September 30, 2000 and the related consolidated statements of income, retained earnings and cash flows of such Borrower for the nine months then ended, together with the report thereon of Arthur Andersen LLP included in such Borrower's Quarterly Report on Form 10-Q for the fiscal quarter then ended, copies of which have been furnished to each Lender, fairly present in all material respects (subject to year-end adjustments) the consolidated financial condition of such Borrower and its Subsidiaries as at such date and the consolidated results of the operations of such Borrower and its Subsidiaries for the period ended on such date in accordance with GAAP; and since September 30, 2000 there has been no Material Adverse Change with respect to ComEd.

(iii) In the case of Exelon, the unaudited pro forma combined condensed financial data set forth in Exelon's Form 8-K/A filed on November 15,2000, which reflect the acquisition of Unicom by PECO under the purchase method of accounting, fairly present the pro forma financial condition of Exelon as at December 31, 1999 and as at and for the nine months ended September 30, 2000 (in each case giving effect to the purchase of Unicom by PECO); and since September 30, 2000, there has been no Material Adverse Change with respect to Exelon.

(f) Except as disclosed in such Borrower's Annual, Quarterly or Current Reports, each as filed with the Securities and Exchange Commission and delivered to the Lenders prior to the later of the date of execution and delivery of this Agreement or the date of the most recent extension of the Termination Date pursuant to Section 2.17, there is no pending or threatened action, investigation or proceeding affecting such Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator that may reasonably be anticipated to have a Material Adverse Effect with respect to such Borrower. There is no pending or threatened action or proceeding against such Borrower or any of its Subsidiaries that purports to affect the legality, validity, binding effect or enforceability against such Borrower of this Agreement or any Note issued by such Borrower.

(g) No proceeds of any Loan to such Borrower have been or will be used directly or indirectly in connection with the acquisition of in excess of 5% of any class of equity securities that is registered pursuant to Section 12 of the Exchange Act or any transaction subject to the requirements of Section 13 or 14 of the Exchange Act.

(h) Such Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Advance to such Borrower will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock. Not more than 25% of the value of the assets of such Borrower and its Subsidiaries is represented by margin stock.

(i) Such Borrower is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(j) During the twelve consecutive month period prior to the date of the execution and delivery of this Agreement and prior to the date of any borrowing of Advances by such Borrower or the issuance or modification of any Facility LC for the account of such Borrower, no steps have been taken to terminate any Plan, and no contribution failure by such Borrower or any other member of the Controlled Group has occurred with respect to any Plan. No condition exists or event or transaction has occurred with respect to any Plan (including any Multiemployer Plan) which might result in the incurrence by such Borrower or any other member of the Controlled Group of any material liability, fine or penalty.

ARTICLE V

COVENANTS OF THE BORROWERS

SECTION 5.01. Affirmative Covenants. Each Borrower agrees that so long as any amount payable by such Borrower hereunder remains unpaid, any Facility LC issued for the account of such Borrower remains outstanding or any Lender has any Commitment to such Borrower hereunder, such Borrower will, and, in the case of Section 5.01(a), will cause its Principal Subsidiaries to, unless the Majority Lenders shall otherwise consent in writing:

(a) Keep Books; Existence; Maintenance of Properties; Compliance with Laws; Insurance; Taxes.

(i) keep proper books of record and account, all in accordance with generally accepted accounting principles;

(ii) subject to Section 5.02(b), preserve and keep in full force and effect its existence;

(iii) maintain and preserve all of its properties (except such properties the failure of which to maintain or preserve would not have, individually or in the aggregate, a Material Adverse Effect on such Borrower) which are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted;

(iv) comply in all material respects with the requirements of all applicable laws, rules, regulations and orders (including those of any governmental authority and including with respect to environmental matters) to the extent the failure to so comply, individually or in the aggregate, would have either a Material Adverse Effect on such Borrower;

(v) maintain insurance with responsible and reputable insurance companies or associations, or self-insure, as the case may be, in each case in such amounts and covering such contingencies, casualties and risks as is customarily carried by or self-insured against by companies engaged in similar businesses and

owning similar properties in the same general areas in which such Borrower and its Principal Subsidiaries operate;

(vi) at any reasonable time and from time to time, pursuant to prior notice delivered to such Borrower, permit any Lender, or any agent or representative of any thereof, to examine and, at such Lender's expense, make copies of, and abstracts from the records and books of account of, and visit the properties of, such Borrower and any of its Principal Subsidiaries and to discuss the affairs, finances and accounts of such Borrower and any of its Principal Subsidiaries with any of their respective officers; provided that any non-public information (which has been identified as such by such Borrower or the applicable Principal Subsidiary) obtained by any Lender or any of its agents or representatives pursuant to this subsection (vi) shall be treated confidentially by such Person; provided, further, that such Person may disclose such information to any other party to this Agreement, its examiners, affiliates, outside auditors, counsel or other professional advisors in connection with the Agreement or if otherwise required to do so by law or regulatory process; and

(vii) use the proceeds of the Advances to it for general purposes of such corporation, limited liability company or business trust, as the case may be (including, without limitation, the refinancing of its commercial paper and the making of acquisitions), but in no event for any purpose which would be contrary to clause (g) or clause (h) of Section 4.01.

(b) Reporting Requirements. Furnish to the Lenders:

(i) as soon as possible, and in any event within five Business Days after the occurrence of any Event of Default or Unmatured Event of Default with respect to such Borrower continuing on the date of such statement, a statement of an authorized officer of such Borrower setting forth details of such Event of Default or Unmatured Event of Default and the action which such Borrower proposes to take with respect thereto;

(ii) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of such Borrower (commencing with the quarter ending March 31, 2001), a copy of such Borrower's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission with respect to such quarter, together with a certificate of an authorized officer of such Borrower stating that no Event of Default or Unmatured Event of Default with respect to such Borrower has occurred and is continuing or, if any Event of Default or Unmatured Event of Default has occurred and is continuing, a statement as to the nature thereof and the action which such Borrower proposes to take with respect thereto;

(iii) as soon as available and in any event within 105 days after the end of each fiscal year of such Borrower, a copy of such Borrower's Annual Report on Form 10-K filed with the Securities and Exchange Commission with respect to such fiscal year, together with a certificate of an authorized officer of such Borrower stating that no Event of Default or Unmatured Event of Default with respect to such Borrower has occurred and is continuing or, if any Event of Default or Unmatured Event of Default with respect to such Borrower has occurred and is continuing, a statement as to the nature thereof and the action which such Borrower proposes to take with respect thereto;

(iv) concurrently with the delivery of the annual and quarterly reports referred to in Sections 5.01(b)(ii) and 5.01(b)(iii), a compliance certificate in substantially the form set forth in Exhibit E, duly completed and signed by the Chief Financial Officer, Treasurer or an Assistant Treasurer of such Borrower;

(v) except as otherwise provided in subsections (ii) and (iii) above, promptly after the sending or filing thereof, copies of all reports that such Borrower sends to any of its security holders, and copies of all Reports on Form 10-K, 10-Q or 8-K, and registration statements and prospectuses that such Borrower or any of its Subsidiaries files with the Securities and Exchange Commission or any national securities exchange (except to the extent that any such registration statement or prospectus relates solely to the issuance of securities pursuant to employee or dividend reinvestment plans of such Borrower or such Subsidiary);

(vi) promptly upon becoming aware of the institution of any steps by such Borrower or any other Person to terminate any Plan, or the failure to make a required contribution to any Plan if such failure is sufficient to give rise to a lien under section 302(f) of ERISA, or the taking of any action with respect to a Plan which could result in the requirement that such Borrower furnish a bond or other security to the PBGC or such Plan, or the occurrence of any event with respect to any Plan, which could result in the incurrence by such Borrower or any other member of the Controlled Group of any material liability, fine or penalty, notice thereof and a statement as to the action such Borrower proposes to take with respect thereto;

(vii) promptly upon becoming aware thereof, notice of any change in the Moody's Rating or the S&P Rating for such Borrower; and

(viii) such other information respecting the condition, operations, business or prospects, financial or otherwise, of such Borrower or any of its Subsidiaries as any Lender, through the Administrative Agent, may from time to time reasonably request.

SECTION 5.02. Negative Covenants. Each Borrower agrees that so long as any amount payable by such Borrower hereunder remains unpaid, any Facility LC issued for the account of such Borrower remains outstanding or any Lender has any Commitment to such Borrower hereunder (except with respect to subsection (a), which shall be applicable only as of the date hereof and at any time any Advance to such Borrower or Facility LC issued for the account of such Borrower is outstanding or is to be made or issued, as applicable), such Borrower will not, without the written consent of the Majority Lenders:

(a) Limitation on Liens. Create, incur, assume or suffer to exist, or, in the case of Exelon, permit any of its Material Subsidiaries to create, incur, assume or suffer to exist, any Lien on its respective property, revenues or assets, whether now owned or hereafter acquired except (i) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens and other similar Liens arising in the ordinary course of business; (ii) Liens on the capital stock of or any other equity interest in any of its Subsidiaries (excluding, in the case of Exelon, the stock of ComEd, PECO, Genco and any holding company for any of the foregoing) or any such Subsidiary's assets to secure Nonrecourse Indebtedness; (iii) Liens upon or in any property acquired in the ordinary course of business to secure the purchase price of such property or to secure any obligation incurred solely for the purpose of financing the acquisition of such property; (iv) Liens existing on such property at the time of its acquisition (other than any such Lien created in contemplation of such acquisition unless permitted by the preceding clause (iii)); (v) Liens on the property, revenues and/or assets of any Person that exist at the time such Person becomes a Subsidiary and the continuation of such Liens in connection with any refinancing or restructuring of the obligations secured by such Liens; (vi) Liens granted in connection with any financing arrangement for the purchase of nuclear fuel or the financing of pollution control facilities, limited to the fuel or facilities so purchased or acquired; (vii) Liens arising in connection with sales or transfers of, or financing secured by, accounts receivable or related contracts; (viii) Liens granted by a Special Purpose Subsidiary to secure Transitional Funding Instruments of such Special Purpose Subsidiary; (ix) in the case of ComEd, Liens arising under the ComEd Mortgage and "permitted liens" as defined in the ComEd Mortgage; (x) in the case of PECO, (A) Liens granted under the PECO Mortgage and "excepted encumbrances" as defined in the PECO Mortgage, (B) Liens securing PECO's notes collateralized solely by mortgage bonds of PECO issued under the terms of the PECO Mortgage, and (C) Liens arising in connection with sale and leaseback transactions entered into by PECO or a Subsidiary thereof, but only to the extent (I) the proceeds received by PECO or such Subsidiary from such sale shall immediately be applied to retire mortgage bonds of PECO issued under the terms of the PECO Mortgage, or (II) the aggregate purchase price of assets sold pursuant to such sale and leaseback transactions where such proceeds are not so applied shall not exceed $1,000,000,000; and (xi) Liens, other than those described in clauses (i) through (x) of this subsection, granted by such Borrower or, in the case of Exelon, any of its Material Subsidiaries in the ordinary course of business securing Debt of such Borrower and, if applicable, such Material Subsidiaries; provided that the aggregate amount of all Debt secured by such Liens shall not exceed in the aggregate at any one time outstanding (I) in the case of Exelon and its Material Subsidiaries, $50,000,000, (II) in the case of ComEd, $50,000,000, and (III) in the case of PECO, $50,000,000.

(b) Mergers and Consolidations; Disposition of Assets. Merge with or into or consolidate with or into, or sell, assign, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to any Person or permit any Principal Subsidiary to do so, except that (i) any of its Principal Subsidiaries may merge with or into or consolidate with or transfer assets to any other Principal Subsidiary of such Borrower, (ii) any of its Principal Subsidiaries may merge with or into or consolidate with or transfer assets to such Borrower and (iii) such Borrower or any of its Principal Subsidiaries may merge with or into or consolidate with or transfer assets to any other Person; provided that, in each case, immediately thereafter in giving effect thereto, no Event of Default or Unmatured Event of Default with respect to such Borrower shall have occurred and be continuing and (A) in the case of any such merger, consolidation or transfer of assets to which a Borrower is a party, either (x) such Borrower shall be the surviving entity or (y) the surviving entity shall be an Eligible Successor and shall have assumed all of the obligations of such Borrower under this Agreement and the Notes issued by such Borrower and the Facility LCs issued for this account of such Borrower pursuant to a written instrument in form and substance satisfactory to the Administrative Agent, (B) subject to clause (A) above, in the case of any such merger, consolidation or transfer of assets to which any of its Principal Subsidiaries is a party, a Principal Subsidiary of such Borrower shall be the surviving entity and (C) subject to clause (A) above, in the case of any such merger, consolidation or transfer of assets to which a Material Subsidiary of Exelon is a party, a Material Subsidiary of Exelon shall be the surviving entity.

(c) Leverage Ratios. Permit its Leverage Ratio to exceed 65% at any time.

(d) Continuation of Businesses. Engage in, or permit any of its Subsidiaries to engage in, any material line of business other than businesses engaged in by such Borrower and its Subsidiaries as of the date hereof and reasonable extensions thereof.

(e) Capital Structure. In the case of Exelon, fail at any time to own, free and clear of all Liens, at least 95% of the issued and outstanding common shares or other common ownership interests of ComEd and 100% of the issued and outstanding common shares or other common ownership interests of PECO (or of a holding company which owns, free and clear of all Liens, at least 95% of the issued and outstanding shares of common stock of ComEd and 100% of the issued and outstanding common shares or other common ownership interests of PECO); or fail, at any time after the date on which ComEd and/or PECO transfers any substantial part of its generating assets to Genco, to own, free and clear of all Liens, 100% of the issued and outstanding common shares or other common ownership interests of Genco (or of a holding company which owns, free and clear of all Liens, 100% of the issued and outstanding common shares or other common ownership interests of Genco).

(f) Restrictive Agreements. In the case of Exelon, permit either PECO or ComEd to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon the ability of either PECO or ComEd to declare or pay dividends to Exelon, except for existing restrictions on PECO relating to (i) the priority of payments on its subordinated debentures contained in the Indenture dated as

of July 1, 1994 between PECO and First Union National Bank, as trustee, as amended and supplemented to the date hereof, and (ii) the priority payment of quarterly dividends on its preferred stock contained in its Amended and Restated Articles of Incorporation as in effect on the date hereof.

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events shall occur and be continuing with respect to a Borrower (any such event an "Event of Default" with respect to such Borrower):

(a) Such Borrower shall fail to pay (i) any principal of any Advance to such Borrower when the same becomes due and payable, (ii) any Reimbursement Obligation of such Borrower within one Business Day after the same becomes due and payable or (iii) any interest on any Advance to such Borrower or any other amount payable by such Borrower under this Agreement or any Note issued by such Borrower within three Business Days after the same becomes due and payable; or

(b) Any representation or warranty made by such Borrower herein or by such Borrower (or any of its officers) pursuant to the terms of this Agreement shall prove to have been incorrect or misleading in any material respect when made; or

(c) Such Borrower shall fail to perform or observe (i) any term, covenant or agreement contained in Section 5.02, Section 5.01(a)(vii) or Section 5.01(b)(i), in each case to the extent applicable to such Borrower, or (ii) any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if the failure to perform or observe such other term, covenant or agreement shall remain unremedied for 30 days after written notice thereof shall have been given to such Borrower by the Administrative Agent (which notice shall be given by the Administrative Agent at the written request of any Lender); or

(d) Such Borrower or any Principal Subsidiary thereof shall fail to pay any principal of or premium or interest on any Debt that is outstanding in a principal amount in excess of $50,000,000 in the aggregate (but excluding Debt evidenced by the Notes, Nonrecourse Indebtedness and Transitional Funding Instruments) of such Borrower or such Principal Subsidiary (as the case may be) when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled

required prepayment), prior to the stated maturity thereof, other than any acceleration of any Debt secured by equipment leases or fuel leases of such Borrower or a Principal Subsidiary thereof as a result of the occurrence of any event requiring a prepayment (whether or not characterized as such) thereunder, which prepayment will not result in a Material Adverse Change with respect to such Borrower; or

(e) Such Borrower or any Principal Subsidiary thereof (other than a Special Purpose Subsidiary) shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against such Borrower or any Principal Subsidiary thereof (other than a Special Purpose Subsidiary) seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property,) shall occur; or such Borrower or any Principal Subsidiary thereof (other than a Special Purpose Subsidiary) shall take any action to authorize or to consent to any of the actions set forth above in this subsection (e); or

(f) One or more judgments or orders for the payment of money in an aggregate amount exceeding $50,000,000 (excluding any such judgments or orders which are fully covered by insurance, subject to any customary deductible, and under which the applicable insurance carrier has acknowledged such full coverage in writing) shall be rendered against such Borrower or any Principal Subsidiary thereof and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(g) (i) Any Reportable Event that the Majority Lenders determine in good faith might constitute grounds for the termination of any Plan or for the appointment by the appropriate United States District Court of a trustee to administer a Plan shall have occurred and be continuing 30 days after written notice to such effect shall have been given to such Borrower by the Administrative Agent or (ii) any Plan shall be terminated, or (iii) a Trustee shall be appointed by an appropriate United States District Court to administer any Plan or (iv) the PBGC shall institute proceedings to terminate any Plan or to appoint a trustee to administer any Plan; provided, however, that on the date of any event described in clauses (i) through (iv) above, the Unfunded Liabilities of such Plan exceed $20,000,000; or

(h) In the case of ComEd, Exelon (or a wholly owned Subsidiary of Exelon) shall fail to own, free and clear of all Liens, at least 95% of its issued and outstanding common shares or other common ownership interests; or

(i) In the case of PECO, Exelon (or a wholly owned Subsidiary of Exelon) shall fail to own, free and clear of all Liens, 100% of its issued and outstanding common shares or other common ownership interests;

then, and in any such event, the Administrative Agent shall at the request, or may with the consent, of the Majority Lenders, by notice to such Borrower, (i) declare the respective Commitments of the Lenders to such Borrower and the commitment of the LC Issuer to issue Facility LCs for the account of such Borrower to be terminated, whereupon the same shall forthwith terminate, and/or (ii) declare the principal amount outstanding under the Notes issued by such Borrower, all interest thereon and all other amounts payable under this Agreement by such Borrower (including all contingent LC Obligations) to be forthwith due and payable, whereupon the principal amount outstanding under such Notes, all such interest and all such other amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by such Borrower; provided, however, that in the event of an actual or deemed entry of an order for relief with respect to any Borrower or any Principal Subsidiary thereof under the Federal Bankruptcy Code, (A) the obligation of each Lender to make any Advance to such Borrower and the obligation of the LC Issuer to issue Facility LCs for the account of such Borrower shall automatically be terminated and (B) the principal amount outstanding under the Notes issued by such Borrower, all interest thereon and all other amounts payable by such Borrower hereunder (including all contingent LC Obligations of such Borrower) shall automatically and immediately become due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by such Borrower.

ARTICLE VII

THE AGENTS

SECTION 7.01. Authorization and Action. Each Lender hereby appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the Notes), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions shall be binding upon all Lenders and all holders of Notes; provided, however, that the Administrative Agent shall not be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to this Agreement or

applicable law. The Administrative Agent agrees to give to each Lender prompt notice of each notice given to it by a Borrower pursuant to the terms of this Agreement.

SECTION 7.02. Agents' Reliance, Etc. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their respective own gross negligence or willful misconduct. Without limitation of the generality of the foregoing: (i) the Administrative Agent may treat the payee of any Note as the holder thereof until the Administrative Agent receives and accepts an Assignment and Acceptance entered into by the Lender which is the payee of such Note, as assignor, and an Eligible Assignee, as assignee, as provided in Section 8.07; (ii) the Administrative Agent may consult with legal counsel (including counsel for a Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) the Administrative Agent makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (iv) the Administrative Agent shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of any Borrower or to inspect the property (including the books and records) of any Borrower; (v) the Administrative Agent shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; and (vi) the Administrative Agent shall not incur any liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopier, telegram, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 7.03. Agents and Affiliates With respect to its Commitment, Advances and Notes, Bank One shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not an Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include Bank One in its individual capacity. Bank One and its affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, any Borrower, any subsidiary of any Borrower and any Person who may do business with or own securities of any Borrower or any such subsidiary, all as if it were not an Agent and without any duty to account therefor to the Lenders.

SECTION 7.04. Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements referred to in Section 4.01(e) and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and

information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 7.05. Indemnification. The Lenders agree to indemnify each Agent (to the extent not reimbursed by a Borrower), ratably according to their respective Pro Rata Shares, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against any such Agent in any way relating to or arising out of this Agreement or any action taken or omitted by any such Agent under this Agreement, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse each such Agent promptly upon demand for its Pro Rata Share of any out-of-pocket expenses (including reasonable counsel fees) incurred by such Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that such expenses are reimbursable by a Borrower but for which such Agent is not reimbursed by such Borrower.

SECTION 7.06. Successor Administrative Agent. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrowers and may be removed at any time with or without cause by the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Majority Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation or the Majority Lenders' removal of the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a commercial bank described in clause (i) or (ii) of the definition of "Eligible Assignee" and having a combined capital and surplus of at least $150,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. Notwithstanding the foregoing, if no Event of Default or Unmatured Event of Default shall have occurred and be continuing, then no successor Administrative Agent shall be appointed under this Section 7.06 without the prior written consent of the Borrowers, which consent shall not be unreasonably withheld or delayed.

SECTION 7.07. Documentation Agents, Syndication Agent and Lead Arranger. The titles "Documentation Agent," "Syndication Agent" and "Lead Arranger and Sole Book Runner" are purely honorific, and no Person designated as a "Documentation Agent," the "Syndication

Agent" or the "Lead Arranger and Sole Book Runner" shall have any duties or responsibilities in such capacity.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement or the Notes, nor consent to any departure by any Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Lenders (other than any Lender that is a Borrower or an Affiliate of a Borrower), do any of the following: (a) waive any of the conditions specified in Section 3.01 or 3.02, (b) increase or extend the Commitments of the Lenders, increase any Borrower's Sublimit to an amount greater than the amount specified in Section 2.04(c)(iii) or subject the Lenders to any additional obligations, (c) reduce the principal of, or interest on, the Notes or any fees or other amounts payable hereunder, (d) postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, (e) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Notes, or the number of Lenders, that shall be required for the Lenders or any of them to take any action hereunder, or (f) amend this Section 8.01; provided, further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent, in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement or any Note; and (ii) no amendment, waiver or consent shall, unless in writing and signed by the LC Issuer, in addition to the Lenders required above to take such action, affect the rights or duties of the LC Issuer under this Agreement.

SECTION 8.02. Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telecopier, telegraphic, telex or cable communication) and mailed, telecopied, telegraphed, telexed, cabled or delivered, if to any Borrower, at 10 S. Dearborn, 37th Floor, Chicago, IL 60603, Attention: J. Barry Mitchell, Telecopy: (312) 394-2867; if to any Lender listed on the signature pages hereof, at its Domestic Lending Office specified opposite its name on Schedule I hereto; if to any other Lender, at its Domestic Lending Office specified in the Assignment and Acceptance pursuant to which it became a Lender; and if to the Administrative Agent, at its address at 1 Bank One Plaza, Mail Suite 0634, 1FPN-10, Chicago, Illinois 60670, Attention: Mr. Ron Cromey, Telecopy: (312) 732-4840 or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties. All such notices and communications shall, when mailed, telecopied, telegraphed, telexed or cabled, be effective when deposited in the mails, telecopied, delivered to the telegraph company, confirmed by telex answerback or delivered to the cable company, respectively, except that notices and communications to the Administrative Agent pursuant to Article II or VII shall not be effective until received by the Administrative Agent.

SECTION 8.03. No Waiver; Remedies. No failure on the part of any Lender, the LC Issuer or the Administrative Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04. Costs and Expenses; Indemnification. (a) Each Borrower severally agrees to pay on demand all costs and expenses incurred by the Administrative Agent, the LC Issuer and the Lead Arranger in connection with the preparation, execution, delivery, administration, syndication, modification and amendment of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, the reasonable fees, internal charges and out-of-pocket expenses of counsel (including, without limitation, in-house counsel) for the Administrative Agent, the LC issuer and the Lead Arranger with respect thereto and with respect to advising the Administrative Agent, the LC Issuer and the Lead Arranger as to their respective rights and responsibilities under this Agreement, in each case to the extent attributable to such Borrower; it being understood that to the extent any such costs and expenses are not attributable to a particular Borrower, each Borrower shall pay its proportionate share thereof according to the Borrowers' respective Sublimits at the time such costs and expenses were incurred. Each Borrower further severally agrees to pay on demand all costs and expenses, if any (including, without limitation, counsel fees and expenses of outside counsel and of internal counsel), incurred by the Agent, the LC Issuer or any Lender in connection with the collection and enforcement (whether through negotiations, legal proceedings or otherwise) of such Borrower's obligations this Agreement, the Notes issued by such Borrower and the other documents to be delivered by such Borrower hereunder, including, without limitation, reasonable counsel fees and expenses in connection with the enforcement of rights under this Section 8.04(a), in each case to the extent attributable to such Borrower; it being understood that to the extent any such costs and expenses are not attributable to a particular Borrower, each Borrower shall pay its proportionate share thereof according to the Borrowers' respective Sublimits at the time such costs and expenses were incurred.

(b) If any payment of principal of, or any conversion of, any Eurodollar Rate Advance is made other than on the last day of the Interest Period for such Advance, as a result of a payment or conversion pursuant to Section 2.09 or 2.12 or acceleration of the maturity of the Notes pursuant to Section 6.01 or for any other reason, the applicable Borrower shall, upon demand by any Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender any amount required to compensate such Lender for any additional losses, costs or expenses which it may reasonably incur as a result of such payment or conversion, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(c) Each Borrower hereby severally agrees to indemnify and hold each Lender, the LC Issuer, each Agent and each of their respective Affiliates, officers, directors and employees (each, an "Indemnified Person") harmless from and against any and all claims,

damages, losses, liabilities, costs or expenses (including reasonable attorney's fees and expenses, whether or not such Indemnified Person is named as a party to any proceeding or is otherwise subjected to judicial or legal process arising from any such proceeding) that any of them may pay or incur arising out of or relating to this Agreement, the Notes or the transactions contemplated thereby, or the use by such Borrowers or any of its Subsidiaries of the proceeds of any Advance to such Borrower, in each case to the extent such claims damages, losses, liabilities, costs or expenses are attributable to such Borrower, it being understood that to the extent any such claims, damages, losses, liabilities, costs or expenses are not attributable to a particular Borrower, each Borrower shall pay its proportionate share thereof according to the Borrowers' respective Sublimits at the time such claims, damages, losses, liabilities, costs or expenses arose; provided, however, that no Borrower shall be liable for any portion of such claims, damages, losses, liabilities, costs or expenses resulting from such Indemnified Person's gross negligence or willful misconduct. Each Borrower's obligations under this Section 8.04(c) shall survive the repayment of all amounts owing by such Borrower to the Lenders and the Administrative Agent under this Agreement and the Notes issued by such Borrower and the termination of the Commitments to such Borrower. If and to the extent that the obligations of a Borrower under this Section 8.04(c) are unenforceable for any reason, such Borrower agrees to make the maximum contribution to the payment and satisfaction thereof which is permissible under applicable law.

SECTION 8.05. Right of Set-off. Upon (i) the occurrence and during the continuance of any Event of Default with respect to a Borrower and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Administrative Agent to declare the Notes issued by such Borrower due and payable pursuant to the provisions of Section 6.01, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of such Borrower against any and all of the obligations of such Borrower now or hereafter existing under this Agreement and any Note of such Borrower held by such Lender, whether or not such Lender shall have made any demand under this Agreement or such Note and although such obligations may be unmatured. Each Lender agrees promptly to notify the applicable Borrower after any such set-off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender under this Section 8.05 are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender may have.

SECTION 8.06. Binding Effect. This Agreement shall become effective when counterparts hereof shall have been executed by the Borrowers and the Agents and when the Administrative Agent shall have been notified by each Lender that such Lender has executed a counterpart hereof and thereafter shall be binding upon and inure to the benefit of the Borrowers, the Agents and each Lender and their respective successors and assigns, provided that (except as permitted by Section 5.02(b)(iii)) no Borrower shall have the right to assign rights hereunder or any interest herein without the prior written consent of all Lenders.

SECTION 8.07. Assignments and Participations. (a) Each Lender may, with the prior written consent of Exelon, the LC Issuer and the Administrative Agent (which consents shall be unreasonably withheld or delayed), and if demanded by a Borrower pursuant to subsection (g) hereof shall to the extent required by such subsection (g), assign to one or more banks or other entities all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it, its participation in Facility LCs and the Note or Notes held by it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of all of the assigning Lender's rights and obligations under this Agreement, (ii) the Commitment Amount of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than $10,000,000 or, if less, the entire amount of such Lender's Commitment, and shall be an integral multiple of $1,000,000 or such Lender's entire Commitment, (iii) each such assignment shall be to an Eligible Assignee, (iv) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with any Note or Notes subject to such assignment and a processing and recordation fee of $4,000 (which shall be payable by one or more of the parties to the Assignment and Acceptance, and not by any Borrower, and shall not be payable if the assignee is a Federal Reserve Bank), and (v) the consent of Exelon shall not be required after the occurrence and during the continuance of any Event of Default. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto (although an assigning Lender shall continue to be entitled to indemnification pursuant to Section 8.04(c)). Notwithstanding anything contained in this Section 8.07(a) to the contrary, (A) the consent of Exelon, LC Issuer and the Administrative Agent shall not be required with respect to any assignment by any Lender to an Affiliate of such Lender or to another Lender and (B) any Lender may at any time, without the consent of Exelon, LC Issuer or the Administrative Agent, and without any requirement to have an Assignment and Acceptance executed, assign all or any part of its rights under this Agreement and its Notes to a Federal Reserve Bank, provided that any such assignment does not release the transferor Lender from any of its obligations hereunder.

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of

this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Borrower or the performance or observance by any Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01(e) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Administrative Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(c) The Administrative Agent shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment Amount of, and principal amount of the Advances owing by each Borrower to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and each Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Registers shall be available for inspection by any Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, together with all Notes subject to such assignment, the Administrative Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit C hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrowers. Within five Business Days after its receipt of such notice, each Borrower, at its own expense, shall execute and deliver to the Administrative Agent, in exchange for the surrendered Note issued by such Borrower a new Note to the order of such Eligible Assignee in an amount equal to the product of the Commitment Amount assumed by such Eligible Assignee pursuant to such Assignment and Acceptance multiplied by the percentage which such Borrower's Sublimit is of the aggregate amount of the Commitment Amounts (the "Sublimit Percentage") and, if the assigning Lender has retained a Commitment hereunder, a new Note to the order of the assigning Lender in an amount equal to the product of the Commitment Amount of such assigning Lender after giving effect to such assignment multiplied by the Sublimit Percentage. Each such new Note or Notes shall be dated the effective

date of such Assignment and Acceptance and shall otherwise be in substantially the form of Exhibit A hereto.

(e) Each Lender may sell participations to one or more banks or other entities (each, a "Participant") in or to all or a portion of its rights and/or obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it, its participation in Facility LCs and the Note or Notes held by it); provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Note for all purposes of this Agreement, (iv) the Borrowers, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (v) such Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of this Agreement or the Note or Notes held by such Lender, other than any such amendment, modification or waiver with respect to any Advance or Commitment in which such Participant has an interest that forgives principal, interest or fees or reduces the interest rate or fees payable with respect to any such Advance or Commitment, postpones any date fixed for any regularly scheduled payment of principal of, or interest or fees on, any such Advance or Commitment, extends any Commitment, releases any guarantor of any such Advance or releases any substantial portion of collateral, if any, securing any such Advance.

(f) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 8.07, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrowers furnished to such Lender by or on behalf of the Borrowers; provided that, prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any confidential information relating to the Borrowers received by it from such Lender (subject to customary exceptions regarding regulatory requirements, compliance with legal process and other requirements of law).

(g) If (i) any Lender shall make demand for payment under Section 2.11(a), 2.11(b) or 2.14, or (ii) shall deliver any notice to the Administrative Agent pursuant to Section 2.12 resulting in the suspension of certain obligations of the Lenders with respect to Eurodollar Rate Advances or (iii) shall fail to consent to, or shall revoke its consent to, an extension of the scheduled Terminated Date pursuant to Section 2.17, then (in the case of clause (i)) within 60 days after such demand (if, but only if, such payment demanded under Section 2.11(a), 2.11(b) or 2.14 has been made by the applicable Borrower), or (in the case of clause (ii)) within 60 days after such notice (if such suspension is still in effect), or (in the case of clause (iii)) no later than five days prior to the then effective scheduled Termination Date, as the case may be, the Borrowers may demand that such Lender assign in accordance with this Section 8.07 to one or more Eligible Assignees designated by the Borrowers and reasonably acceptable to the Administrative Agent all (but not less than all) of such Lender's Commitment, the Advances owing to it and its participation in the Facility LCs within the next succeeding 30 days (in the

case of clause (i) or clause (ii)), or within the next succeeding five days (in the case of clauses (iii)). If any such Eligible Assignee designated by the Borrowers shall fail to consummate such assignment on terms acceptable to such Lender, or if the Borrowers shall fail to designate any such Eligible Assignee for all of such Lender's Commitment, Advances and participation in Facility LCs, then such Lender may (but shall not be required to) assign such Commitment and Advances to any other Eligible Assignee in accordance with this Section 8.07 during such period.

(h) Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Bank") may grant to a special purpose funding vehicle (an "SPC"), identified as such in writing from time to time by the Granting Bank to the Administrative Agent and the Borrowers, the option to provide to any Borrower all or any part of any Advance that such Granting Bank would otherwise be obligated to make to such Borrower pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to make any Advance, (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Advance, the Granting Bank shall be obligated to make such Advance pursuant to the terms hereof. The making of an Advance by an SPC hereunder shall utilize the Commitment of the Granting Bank to the same extent, and as if, such Advance were made by such Granting Bank. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Bank). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 8.07, any SPC may (i) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Advances to the Granting Bank or to any financial institutions (consented to by such Borrower and Administrative Agent, neither of which consents shall be unreasonably withheld or delayed) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Advances and (ii) disclose on a confidential basis any non-public information relating to its Advances to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC. This Section 8.07(g) may not be amended in any manner which adversely affects a Granting Bank or an SPC without the written consent of such Granting Bank or SPC.

SECTION 8.08. Governing Law. THIS AGREEMENT AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA.

SECTION 8.09. Consent to Jurisdiction. THE BORROWERS HEREBY IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE COMMONWEALTH OF PENNSYLVANIA AND ANY UNITED STATES

DISTRICT COURT SITTING IN THE COMMONWEALTH OF PENNSYLVANIA IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE NOTES AND THE BORROWERS HEREBY IRREVOCABLY AGREE THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVE ANY OBJECTION THEY MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY LENDER TO BRING PROCEEDINGS AGAINST ANY BORROWER IN THE COURTS OF ANY OTHER JURISDICTION.

SECTION 8.10. Execution in Counterparts; Integration. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes all prior and contemporaneous agreements and understandings, oral or written, relating to the subject matter hereof.

SECTION 8.11. Liability Several No Borrower shall be liable for the obligations of any other Borrower hereunder.

SECTION 8.12. Termination of Existing Agreements. (a) PECO and the Lenders which are parties to the Credit Agreement specified in clause (i) of the definition of Existing Agreements (which Lenders constitute the "Majority Lenders" as defined in such Credit Agreement) agree that, concurrently with the making of the initial Credit Extension hereunder (and without regard to any requirement in Section 2.04 of such Credit Agreement for prior notice of termination of the commitments thereunder), the commitments under such Credit Agreement shall terminate and be of no further force or effect.

(b) ComEd and the Lenders which are parties to each of the Credit Agreements specified in clauses (ii) and (iii) of the definition of Existing Agreements (which Lenders constitute the "Majority Lenders" as defined in each such Credit Agreement) agree that, concurrently with the making of the initial Credit Extension hereunder (and without regard to any requirement in either such Credit Agreement for prior notice of termination of the commitments thereunder), the commitments under each such Credit Agreement shall terminate and be of no further force or effect.

[Remainder of the page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

EXELON CORPORATION

By /s/ J. Barry Mitchell

Name J. Barry Mitchell
Title: Vice President
Finance & Treasurer

COMMONWEALTH EDISON COMPANY

By /s/ J. Barry Mitchell

Name: J. Barry Mitchell
Title: Vice President
Finance & Treasurer

PECO ENERGY COMPANY

By /s/ J. Barry Mitchell

Name: J. Barry Mitchell
Title: Vice President
Finance & Treasurer

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent.

THE LENDERS

Commitment Amount	
$182,500,000	BANK ONE, NA, as Administrative Agent, as LC Issuer and as a Lender

By /s/ Kenneth J. Bauer

Name: Kenneth J. Bauer
Title: Authorized Agent

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent.

Commitment Amount

$182,500,000

CREDIT SUISSE FIRST BOSTON, as
Documentation Agent and as a Lender

By /s/ Andrea E. Shkane

Name: Andrea E. Shkane
Title: Vice President

By /s/ Jay Chall

Name: Jay Chall
Title: Director

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent.

Commitment Amount

$182,500,000

FIRST UNION NATIONAL BANK, as
Documentation Agent and as a Lender

By /s/ Joe K. Dancy

Name: Joe K. Dancy
Title: Vice President

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent.

Commitment Amount

$182,500,000

CITIBANK, N.A., as Syndication Agent and
as a Lender

By /s/ Robert J. Harrity

Name: Robert J. Harrity, Jr.
Title: Managing Director

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent.

Commitment Amount

$140,000,000

ABN AMRO BANK N.V., as a Lender

By /s/ Mark R. Lasek

Name: Mark R. Lasek
Title: Senior Vice President &
Managing Director

By /s/ Sonny K. Tran

Name: Sonny K. Tran
Title: Assistant Vice President

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent

Commitment Amount

$ 140,000,000

THE INDUSTRIAL BANK OF JAPAN, LIMITED,
as a Lender

By /s/ Walter R. Wolf

Name: Walter R. Wolf
Title: Joint General Manager

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent

Commitment Amount

$ 140,000,000

BARCLAYS BANK, PLC, as a Lender

By /s/ Sydney G. Dennis

Name: Sydney G. Dennis
Title: Director

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent

Commitment Amount

$ 140,000,000

THE BANK OF NEW YORK, as a Lender

By /s/ John N. Watt

Name: John N. Watt
Title: Vice President

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent

Commitment Amount	
$100,000,000	MELLON BANK, N.A., as a Lender

By /s/ Richard A. Matthews

Name: Richard A. Matthews
Title: Vice President

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent

Commitment Amount

$100,000,000

BAYERISCHE LANDESBANK
GIROZENTRALE, as a Lender

By /s/ Sean O'Sullivan

Name: Sean O'Sullivan
Title: Vice President

By /s/ Hereward Drummond

Name: Hereward Drummond
Title: Senior Vice President

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent

Commitment Amount

$100,000,000

THE CHASE MANHATTAN BANK, as a Lender

By /s/ Thomas L. Casey

Name: Thomas L. Casey
Title: Vice President

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent

Commitment Amount

$100,000,000

WESTDEUTSCHE LANDESBANK
GIROZENTRALE, as a Lender

By /s/ Duncan M. Robertson

Name: Duncan M. Robertson
Title: Director

By /s/ Walter T. Duffy III

Name: Walter T. Duffy III
Title: Associate Director

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent.

Commitment Amount	
$75,000,000	THE NORTHERN TRUST COMPANY, as a Lender By /s/ Nicole D. Boehm --- Name: Nicole D. Boehm Title: Senior Vice President

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent.

Commitment Amount

$50,000,000

TORONTO DOMINION (TEXAS), INC.,
Lender

By /s/ Debbie A. Greene

Name: Debbie A. Green
Title: Vice President

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent.

Commitment Amount	
$50,000,000	UNION BANK OF CALIFORNIA, N.A., as a Lender

By /s/ Robert J. Cole

Name: Robert J. Cole
Title: Vice President

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent.

Commitment Amount

$50,000,000

LEHMAN COMMERCIAL PAPER, INC., as a Lender

By /s/ Michele Swanson

Name: Michele Swanson
Title: Authorized Signatory

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent.

Commitment Amount

$35,000,000

COMMERCE BANK, N.A., as a Lender

By /s/ Kurt J. Fuoti

Name: Kurt J. Fuoti
Title: Vice President

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent.

Commitment Amount

$25,000,000

THE SUMITOMO BANK, LTD., as a Lender

By /s/ John H. Kemper

Name: John H. Kemper
Title: Senior Vice President

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent.

Commitment Amount

$25,000,000

MERRILL LYNCH BANK USA, as a Lender

By /s/ Raymond J. Dardano

Name: Raymond J. Dardano
Title: Senior Credit Officer

This is a signature page to the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent.

SCHEDULE I

364-Day Credit Agreement dated as of December 19, 2000, among Exelon Corporation, Commonwealth Edison Company and PECO Energy Company, as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, Credit Suisse First Boston and First Union National Bank, as Documentation Agents, and Citibank, N.A., as Syndication Agent.

Name of Lender	Domestic Lending Office	Eurodollar Lending Office
Bank One, NA	1 Bank One Plaza Mail Suite 0634, 1FNP-10 Chicago, IL 60670 Attn: Gwendolyn Watson Phone: (312) 732-4509 Fax: (312) 732-4840	Same
Citibank, N.A.	399 Park Avenue 4th Floor New York, NY 10022 Attn: Robert J. Harrity, Jr. Phone: (212) 559-6482 Fax: (212) 793-6130	Same
Credit Suisse First Boston	11 Madison Ave. New York, NY 10010-3629 Attn: Andrea E. Shkane Phone: (212) 325-6513 Fax: (212) 325-8320	Same
First Union National Bank	1 First Union Center 301 S. College St. Charlotte, NC 28288 Attn: Brian Tate Phone: (704) 383-5010 Fax: (704) 383-6670	Same
Industrial Bank of Japan, Limited	227 W. Monroe St., Suite 2600 Chicago, IL 60606 Attn: Bruce Davis Phone: (312) 855-8484 Fax: (312) 855-8200	Same

Name of Lender	Domestic Lending Office	Eurodollar Lending Office
Barclays Bank, Plc	222 Broadway, 11th Floor New York, NY 10038 Attn: Sydney Dennis Phone: (212) 412-2470 Fax: (212) 412-7575	Same
The Bank of New York	One Wall St., 19th Floor New York, NY 10286 Attn: John Watt Phone: (212) 635-7533 Fax: (212) 635-7923	Same
Mellon Bank, N.A.	One Mellon Bank Center Pittsburgh, PA 15258 Attn: Richard A. Matthews Phone: (412) 236-1203 Fax: (412) 234-0847	Same
Barerische Landesbank Girozentrale	560 Lexington Ave, 17th Floor New York, NY 10022 Attn: Sean O'Sullivan Phone: (212) 310-9913 Fax: (212) 310-9868	Same
The Chase Manhattan Bank	270 Park Avenue, 5th Floor New York, NY 10017 Attn: Tom Casey Phone: (212) 270-5305 Fax: (212) 270-3089	Same
Westdeutsche Landesbank Girozentrale	1211 Avenue of the Americas New York, NY 10036 Attn: Monika Kump Phone: (212) 852-6132 Fax: (212) 852-6148	Same
The Northern Trust Company	50 S. LaSalle St. Chicago, IL 60675 Attn: Nicole Boehm Phone: (312) 444-3640 Fax: (312) 630-6062	Same

Name of Lender	Domestic Lending Office	Eurodollar Lending Office
Toronto Dominion Bank	909 Fannin St., 17th Floor Houston, TX 77010 Attn: Jim Bridwell Phone: (713) 653-8265 Fax: (713) 653-9951	Same
Union Bank of California, N.A.	445 S. Figueroa St., 15th Floor Los Angeles, CA 90071 Attn: Robert Olson Phone: (213) 236-7407 Fax: (213) 236-4096	Same
Lehman Commercial Paper Inc.	3 World Financial Center New York, NY 10285 Attn: Michelle Swanson Phone: (212) 526-0330 Fax: (212) 526-1553	Same
Commerce Bank, N.A.	3220 Tillman Dr., Suite 407 Bensaem, PA 19020 Attn: Kurt Fuoti Phone: (215) 604-6203 Fax: (215) 604-6211	Same
The Sumitomo Bank, Ltd.	277 Park Ave. New York, NY 10172 Courtney Whitlock Phone: (212) 224-4083 Fax: (212) 224-5197	Same
Merrill Lynch Bank USA	18 W. South Temple Suite 300 Salt Lake City, UT 84104 Attn: Butch Alder Phone: (801) 526-8324 Fax: (801) 521-6466	Same

SCHEDULE II
PRICING SCHEDULE

The "Applicable Margin," the "Facility Fee Rate" the "Utilization Fee Rate" and the "LC Fee Rate" for any day are the respective percentages set forth below in the applicable row under the column corresponding to the Status that exists on such day:

Status	Applicable Margin and LC Fee Rate	Facility Fee Rate	Utilization Fee Rate
Level I	0.400%	0.100%	0.100%
Level II	0.500%	0.125%	0.125%
Level III	0.600%	0.150%	0.125%
Level IV	0.825%	0.175%	0.125%
Level V	0.925%	0.200%	0.250%

The Applicable Margin, the Facility Fee Rate, the Utilization Fee Rate and the LC Fee Rate shall be determined separately for each Borrower in accordance with the foregoing table based on the Status for such Borrower. The Status in effect for any Borrower on any date for the purposes of this Pricing Schedule is based on the Moody's Rating and S&P Rating in effect at the close of business on such date.

For the purposes of the foregoing (but subject to the final paragraph of this Pricing Schedule):

"Level I Status" exists at any date for a Borrower if, on such date, such Borrower's Moody's Rating is A3 or better or such Borrower's S&P Rating is A- or better.

"Level II Status" exists at any date for a Borrower if, on such date, (i) Level I Status does not exist for such Borrower and (ii) such Borrower's Moody's Rating is Baa1 or better or such Borrower's S&P Rating is BBB+ or better.

"Level III Status" exists at any date for a Borrower if, on such date, (i) neither Level I Status nor Level II Status exists for such Borrower and (ii) such Borrower's Moody's Rating is Baa2 or better or such Borrower's S&P Rating is BBB or better.

"Level IV Status" exists at any date if, on such date, (i) none of Level I Status, Level II Status or Level III Status exists for such Borrower and (ii) such Borrower's Moody's Rating is Baa3 or better or such Borrower's S&P Rating is BBB- or better.

"Level V Status" exists at any date for a Borrower if, on such date, none of Level I Status, Level II Status, Level III Status or Level IV Status exists for such Borrower.

"Status" means Level I Status, Level II Status, Level III Status, Level IV Status or Level V Status.

If the S&P Rating and the Moody's Rating for a Borrower create a split-rated situation and the ratings differential is one level, the higher rating will apply. If the differential is two levels or more, the intermediate rating at the midpoint will apply. If there is no midpoint, the higher of the two intermediate ratings will apply. If a Borrower has no Moody's Rating or no S&P Rating, Level V Status shall exist for such Borrower.*

LOGO

Dividend Reinvestment and Stock Purchase Plan

Holders of Exelon common shares may purchase additional common shares under our Dividend Reinvestment and Stock Purchase Plan by reinvesting the dividends on some or all of their shares and/or by making direct cash purchases of up to $60,000 per calendar year.

The price of shares purchased is the weighted average price (including brokerage commissions) at which the shares are purchased on the open market by EquiServe as agent for Plan participants.

Our common shares are listed on the New York, Chicago and Philadelphia Stock Exchanges.

EquiServe Trust Company, N.A. is the sponsor, processing agent and administrator for the Plan. Any questions or requests with respect to the Plan or your holdings of our common shares should be directed to EquiServe as shown at the bottom of this page. This Plan replaces the prior dividend reinvestment and stock purchase plans of Unicom Corporation and PECO Energy Company.

SUMMARY OF KEY PLAN DATES

	Latest date for receipt of required items		
For Each Dividend Payment Date Listed Below	To Enroll In Plan	To Change Options	To Withdraw From Plan
Mar 10	Feb 20	Feb 20	Feb 20
Jun 10	May 20	May 20	May 20
Sep 10	Aug 20	Aug 20	Aug 20
Dec 10	Nov 20	Nov 20	Nov 20

Questions about the Plan should be directed as follows:

By Telephone:

EquiServe Trust Company, N.A.
Shareholder Customer Service including sale of shares: 1-800-626-8729
(toll-free)

Outside the United States and Canada: 1-201-324-0498

By Internet: www.equiserve.com

By Mail:

Exelon
c/o EquiServe Trust Company, N.A.
Post Office Box 2598
Jersey City, New Jersey 07303-2598

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy any reports, statements or other information that we file with the SEC at its public reference rooms at the following locations:

Public Reference Room
450 Fifth Street, N.W.
Room 1024
Washington, D.C. 20549

New York Regional Office
7 World Trade Center
Suite 1300
New York, NY 10048

Chicago Regional Office
Citicorp Center
500 West Madison Street
Suite 1400
Chicago, IL 60661-2511

Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. These SEC filings are also available to the public from commercial document retrieval services and at the Internet worldwide web site maintained by the SEC at "http://www.sec.gov". Reports, proxy statements and other information concerning us may also be inspected at the offices of the New York Stock Exchange, which is located at 20 Broad Street, New York, New York 10005.

We will provide without charge to each shareholder, including any beneficial owner, upon their written or oral request, a copy of the information we have

filed with the SEC in its current form, other than certain exhibits to that information. Those requests should be directed to Investor Relations, Exelon Corporation, 10 South Dearborn Street, Post Office Box 805398, Chicago, IL 60680-5398.

EXELON CORPORATION

Exelon Corporation is a holding company for entities engaged in the production, purchase, transmission, distribution and sale of electricity and gas to a diverse base of residential, commercial, industrial and wholesale customers. Its principal subsidiaries consist of Commonwealth Edison Company and PECO Energy Company.

ComEd's electric service territory has an area of approximately 11,300 square miles and an estimated population of approximately eight million as of December 31, 1999. It includes the city of Chicago, an area of about 225 square miles with an estimated population of approximately three million from which it derived approximately 30 percent of its ultimate consumer revenues in 1999. ComEd had approximately 3.5 million electric customers at December 31, 1999.

PECO Energy Company is engaged principally in the production, purchase, transmission, distribution and sale of electricity to residential, commercial, industrial and wholesale customers in its franchised service territory in southeastern Pennsylvania. Since 1999, the Commonwealth of Pennsylvania has required the unbundling of retail electric services in Pennsylvania into separate generation, transmission and distribution services with open retail

competition for generation services. With the commencement of deregulation, PECO Energy serves as the local distribution company providing electric distribution services in southeastern Pennsylvania and bundled electric service to customers who cannot or do not choose an alternate electric generation supplier. Through its Exelon Energy division, PECO Energy is a competitive generation supplier offering competitive energy supply to customers throughout Pennsylvania. The Company's Exelon Infrastructure Services subsidiary provides utility infrastructure services to customers in several regions of the United States. PECO Energy has also formed AmerGen Energy Company, a joint venture with British Energy plc, to acquire and operate nuclear generating facilities. PECO Energy also engages in the wholesale marketing of electricity on a national basis. PECO Energy also participates in joint ventures which provide telecommunication services in the Philadelphia metropolitan region.

EXELON CORPORATION

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

Our Plan is described in the following questions and answers.

Purpose

1. What is the purpose of the Plan?

The purpose of the Plan is to give holders of our common shares a convenient method of purchasing additional common shares through the reinvestment of dividends and to offer a variety of flexible services to aid owners in the managing of their common share holdings.

Features

2. What options are available to participants in the Plan?

As a participant in the Plan, you may:

- automatically reinvest cash dividends on some or all common shares registered in your name and continue to receive cash dividends on any remaining shares,
- receive cash dividends on all shares, including those held in the Plan,
- purchase additional common shares by making voluntary cash payments of at least $25 per payment up to a total of $60,000 per calendar year,
- make automatic monthly purchases of common shares by electronic funds transfer from your bank account or
- deposit shares for safekeeping purposes with EquiServe.

Eligibility

3. Who is eligible to participate in the Plan?

Any holder of record of our common shares, who has certificates or book-entry shares registered in their name, is eligible to enroll in the Plan. If you own shares which are registered in the name of a broker, bank or other nominee and you wish to enroll in the Plan, you should re-register those shares in your own name. Alternatively, you may ask the person in whose name your shares are registered to participate in the Plan on your

behalf (such as through a program offered by a broker or bank). In those cases, your participation through that person may be on terms and conditions which differ from the terms and conditions set forth in the Plan, and the terms and conditions set by that person will govern and EquiServe will not have any record of your transactions or account. The agreements with brokers and other financial institutions with respect to participation of custody accounts may be terminated at any time.

ADMINISTRATION

4. Who administers the Plan and acts as agent for participants?

EquiServe is the sponsor, processing agent and administrator for the Plan. If you decide to participate in the Plan, EquiServe will keep a continuous record of your participation and will send you a transaction statement of your account under the Plan after each purchase of shares on your behalf. The number of shares credited in book entry form to your account will be shown on your transaction statement. The deposit of shares for safekeeping purposes, purchases of Plan shares and sales of Plan shares will be performed by EquiServe as agent for participants in the Plan. These actions will relieve you of the responsibility for safekeeping shares purchased under the Plan and protect you against loss, theft or destruction of stock certificates.

Plan shares purchased under the Plan will be credited in book-entry form to your account. However, if requested by you, certificates for any number of whole shares credited to your account will be issued to you promptly. Those requests can be made by calling or writing EquiServe, or through the Internet Account Access Facility at www.equiserve.com. Each transaction statement also contains a form which may be used to request certificates for whole shares. Any remaining whole and fractional shares will continue to be held, in book entry form, in your account. Certificates for fractional shares will not be issued.

EquiServe may be contacted as follows:

Correspondence:

All correspondence and inquiries concerning the plan should be directed to:

EquiServe
P.O. Box 2598
Jersey City, NJ 07303-2598

Be sure to include a reference to Exelon Corporation in your correspondence.

Telephone:

Shareholder customer service, including sale of shares: 1-800-626-8729.

TDD: 1-201-222-4955. A telecommunications device for the hearing impaired is available.

Outside the United States and Canada: 1-201-324-0498

An automated voice response system is available 24 hours a day, 7 days a week. Customer service representatives are available from 8:30 a.m. to 7:00 p.m. Eastern time each business day.

Internet:

You can obtain information about your account over the Internet. To gain access, you will require a password which is sent to you by mail. You may request your password by calling the agent at 1-877-THEWEB7 (1-877-843-9327).

Messages forwarded on the Internet will be responded to promptly. EquiServe's Internet address is www.equiserve.com.

5. Who interprets the Plan?

We have reserved the right to interpret the Plan as necessary or desirable in connection with its operation.

Please note that neither we, EquiServe nor any agent of either of us will be liable for any act done in good faith, or for any good faith omission to act in connection with the administration or operation of the Plan. This limitation of liability applies to, among other things, claims arising out of failure to cease reinvesting dividends on your account upon your death, the prices at which shares are purchased or sold for your account, the times when purchases or sales are made or fluctuations in the market value of common stock.

You should recognize that neither we nor EquiServe can assure you of a profit or protect you against a loss on shares purchased under the Plan.

AUTOMATIC DIVIDEND REINVESTMENT

6. How does an eligible shareholder participate?

You may enroll in the Plan at any time by completing and signing an Enrollment Authorization Form and returning it to Exelon, c/o EquiServe, Post Office Box 2598, Jersey City, New Jersey 07303-2598. A postage prepaid envelope is provided with the Enrollment Authorization Form for this purpose. An Enrollment Authorization Form may be obtained by written request to EquiServe, by telephone or through the Internet.

7. When does an enrollment become effective?

If your Enrollment Authorization Form for the reinvestment of dividends is received by EquiServe on or before the 20th of the month preceding a dividend payment date, the dividend amount will be reinvested under the Plan as of that dividend payment date. If your Enrollment Authorization Form is received after the 20th of the month preceding a dividend payment date, your participation in the Plan may begin with the subsequent dividend payment. For example, your Enrollment Authorization Form must be received on or before February 20th in order for your March 10th dividend to be reinvested under the Plan.

8. What options does the Enrollment Authorization Form provide?

Four options are shown on the Enrollment Authorization Form:

- full reinvestment of dividends,
- partial reinvestment of dividends (whereby you indicate the number of your shares to receive cash dividends, and the dividends on all your remaining shares are reinvested),
- cash payments only (no reinvested dividends) and
- automatic monthly deductions.

Under each of these options, you may make voluntary cash payments at any time. You must place an "X" in the appropriate box(es) on the form to indicate your authorization intent.

If your form has not been filled out clearly (either because it has not been fully completed or because contradictory instructions have been given), it will not be effective and will be returned to you for completion or correction.

You may change options at any time by completing a new Enrollment Authorization Form and returning it to EquiServe. To assure that the change is effective as of the next dividend payment date, your new form must be received by EquiServe on or before the 20th of the month preceding that dividend payment date.

9. What is the source of shares purchased under the plan?

Shares purchased under the Plan are purchased in open-market transactions by EquiServe. Open-market purchases may be made on any securities exchange where our common shares are traded, or by negotiated transactions and may be subject to such terms with respect to price, delivery, and other terms as EquiServe may agree to. Neither we nor you shall have any authority or power to direct the time or price at which shares may be purchased, or the selection of the broker or dealer through or from whom purchases are made.

10. When will shares be purchased?

Shares will be purchased by EquiServe beginning on the dividend payment dates (usually the 10th of March, June, September and December, respectively), or the next business day if the dividend date is not a business day. Purchases will be completed as soon as practicable, but in no event later than 30 days after dividend payment dates, except where completion at a later date is necessary or advisable under any applicable securities laws.

11. What is the price of purchased shares?

The price will be the weighted average price (including brokerage commissions) at which the shares are purchased by EquiServe for the relevant Investment Date.

12. How many shares will be purchased?

Your Plan account will be credited with a number of shares, including fractions computed to three decimal places, equal to the total amount (dividend and/or voluntary cash payment) to be invested divided by the purchase price per share, as described in Question 11, except that any required withholding of dividends for income taxes will be deducted from the amount to be reinvested.

DIRECT CASH INVESTMENT

13. What is direct cash investment?

You have the option to purchase additional common shares, by investing not less than $25 up to a maximum of $60,000 per calendar year, whether or not you elect to have dividends reinvested under the Plan. A Participant who

elects to take advantage of direct cash investment only and does not wish to have dividends on those shares reinvested must so specify by checking the box marked "Voluntary Cash Payments Only" (No Dividend Reinvestment) on the Enrollment Authorization Form. Direct cash investments are composed of either voluntary cash payments or automatic monthly investments. You need to specify on your Enrollment Authorization Form whether dividends are to be reinvested on any shares purchased by direct cash investment.

14. How may a participant make voluntary cash payments?

You may make a voluntary cash payment when joining the Plan by enclosing the payment with your Enrollment Authorization Form. Thereafter, voluntary cash payments should be accompanied by the detachable form attached to each transaction statement you receive.

Voluntary cash payments must be at least $25 per payment and may not exceed $60,000 per calendar year. These payments should be made by check or money order payable to "EquiServe-Exelon."

The same amount of money need not be sent each month, and there is no obligation to make a voluntary cash payment each month.

EquiServe will apply any voluntary cash payment received before an Investment Date to the purchase of common shares for that Investment Date. The "Investment Date" for voluntary cash purchases is generally the 10th business day of each month. Any voluntary cash payment received on or after an Investment Date will be applied to the purchase of shares on the next succeeding Investment Date, unless you request that your voluntary cash payment be returned.

15. How may a participant make automatic monthly investments?

You may make automatic monthly investments of a specified amount (not less than $25 per transaction or more than $60,000 per calendar year). To initiate automatic monthly deductions, you must complete and sign an Automatic Monthly Deduction Form ("Authorization Form") and return it to EquiServe together with a voided blank check or savings account deposit slip, from a United States bank or financial institution, for the account from which funds are to be drawn. Forms will be processed and will become effective as promptly as practicable. Once automatic monthly deductions are initiated, funds will be drawn from your specified account three business days preceding the designated voluntary cash Investment Date.

Automatic monthly deductions will continue until you notify EquiServe in writing to stop. You may change or discontinue automatic monthly deductions by completing and submitting to EquiServe a new Authorization Form. When you transfer shares or otherwise establish a new account, an Authorization Form must be completed unique to that account. If you close or change a bank account number, a new Authorization Form must be completed. To be effective with respect to a particular voluntary cash Investment Date, however, the new Authorization Form must be received by EquiServe at least 7 business days preceding the voluntary cash Investment Date.

16. When will direct cash investments be made?

Share purchases will be completed as soon as practical after the Investment Date (see question 14 above), but in no event later than 30 days after such date, except where completion at a later date is necessary or advisable under any applicable securities laws.

Brokers or nominees participating in automatic dividend reinvestment on behalf of beneficial owners cannot utilize the direct cash investment provision of the Plan. Therefore, if your common shares are held by a broker or nominee and you wish to make direct cash investments, you must re-register your shares in your name.

17. At what price will direct cash investments be made?

The price will be the weighted average price (including brokerage commissions) paid by EquiServe to obtain all such shares.

18. How many common shares will be purchased?

Your account will be credited, as of the Investment Date, with the number of whole and fractional shares, computed to three decimal places, which equal the amount of the direct cash investment divided by the applicable purchase price.

19. Will interest be paid on voluntary cash payments received prior to the purchase date?

No. For that reason, the Company urges you to mail your investment so that it is received by EquiServe prior to, but as close as possible to, a purchase date. Of course, sufficient time should be allowed for the payment to reach EquiServe. Voluntary cash payments received by EquiServe will be returned to you upon written request, provided such request is received by EquiServe at least two business days prior to the purchase date.

20. Who holds shares purchased through direct cash investment?

Shares purchased through direct cash investment will be credited to your account in book-entry form and may be withdrawn by you at any time.

DEPOSIT OF STOCK CERTIFICATES

21. How may stock certificates be deposited to a participant's account in book-entry form for safekeeping purposes?

For safekeeping purposes, you may convert into book-entry form any Exelon common stock certificates in your possession. Thereafter, those shares, credited to your account in book-entry form, will be treated in the same manner as shares purchased through the Plan. There is no charge for this service and, by making the deposit, you will be relieved of the responsibility for loss, theft or destruction of the certificates.

If you wish to deposit your common stock certificates, you must mail them along with a request to EquiServe. The certificates should not be endorsed. You will promptly receive a statement confirming each certificate conversion and credit. To insure against loss resulting from mailing certificates, EquiServe will provide mail insurance free of charge. To be eligible for certificate mailing insurance, the following guidelines must be observed. Certificates must be mailed in brown, pre-addressed return envelopes supplied by EquiServe, which can be obtained by contacting them as noted on the front page of this document. Certificates mailed will be insured for up to $25,000 of current market value provided they are mailed first class. Certificates having a current market value between $25,000 and $500,000 must be mailed registered mail with a return receipt requested. EquiServe must be notified of any claim within thirty calendar days of the date the certificates were mailed. The maximum insurance protection

provided is $25,000 and the coverage is available only when the certificate(s) are sent in accordance with these guidelines.

Insurance covers the replacement of shares of stock, but in no way protects against any loss resulting from fluctuations in the value of those shares from the time the certificates are mailed until the time that they are replaced.

If you do not use the brown pre-addressed envelope provided by EquiServe, certificates mailed should be insured for possible mail loss for 2% of the market value (minimum of $20.00). This amount represents the replacement cost to you.

COSTS

22. What are the costs to a participant in the Plan?

Plan participants will bear the cost of brokerage commissions paid by EquiServe in connection with the purchase or sale of shares. Your proportionate share of brokerage commissions will be reflected in the price charged to you for shares purchased under the Plan. For sales, your proportionate share of brokerage commissions will be deducted from the sale proceeds.

Except as described above, we will bear the direct costs of administering the Plan. We will hold dividend funds pending the settlement date of Plan purchases. Any interest income realized by us will be applied to cover the Plan's administrative costs.

CERTIFICATES; TRANSFERS; SALE OF SHARES

23. When will a certificate be issued for shares purchased or deposited under the Plan?

Certificates for shares credited to your account will be issued to you only upon request to EquiServe. Shares purchased through automatic dividend reinvestment or shares deposited for safekeeping will be credited to your account until you give EquiServe written instructions to deliver certificates for whole shares held under the Plan. You may obtain a certificate for any number of whole shares held by EquiServe. Certificates will be issued as soon as practicable after your withdrawal request has been made. Requests can be made by calling or writing EquiServe or through the Internet Account Access Facility at www.equiserve.com. An instruction to issue a certificate for all shares credited to your account will result in the issuance of a certificate for full shares and a check for any fractional share at the then current price, less any service fee and brokerage commissions.

24. In whose name will certificates be registered when issued?

Unless you otherwise direct, certificates will be issued in the name in which the account is maintained. A certificate may be issued in a name other than that in which the account is maintained, if EquiServe receives a signed written request to that effect and a stock power with all signatures medallion guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions) with membership in an approved medallion signature guarantee program.

25. Can shares held under the Plan be sold?

You may at any time, including upon withdrawal, request the sale of all or any shares held in your account by:

- providing properly documented written instructions including the signatures of all persons in whose name the account is maintained,

- calling EquiServe at 1-800-626-8729 using a touch-tone phone or

- using the Internet Account Access Facility at www.equiserve.com.

EquiServe will make every effort to process all sale orders (written, telephone and Internet) on the day it receives them, provided that instructions are received before 1 p.m. Eastern Time on a business day when the relevant securities market is open. The proceeds from such sale, less any brokerage commissions, required withholding for income taxes, service fees and other costs of sale, will be sent to you. Each sale request will be processed and a check for the net proceeds will be mailed as promptly as possible after EquiServe receives the sale request.

26. What happens when a participant who is reinvesting dividends on less than all of the shares registered in the participant's name sells or transfers a portion of those shares?

If you are reinvesting dividends on less than all of your shares and sell or transfer a portion of those shares, EquiServe will pay cash dividends on the same number of shares you had previously designated prior to your sale or transfer of shares. In the event that the number of your remaining shares is less than the number of shares on which EquiServe is authorized to pay cash dividends, EquiServe will pay cash dividends on all of your remaining shares.

DISCONTINUING DIVIDEND REINVESTMENT AND CERTIFICATE WITHDRAWAL

27. How does a participant discontinue reinvesting dividends?

You may discontinue reinvesting dividends at any time by giving notice to EquiServe in writing, by telephone or through the Internet. Even if you discontinue reinvestment, your shares will continue to be credited in book entry form to your account unless you request a stock certificate. You may request a certificate for all or part of your shares.

If you request a certificate for all of your shares, you will receive a stock certificate for any whole share(s) and a check for the fractional share at the then-current market value less any service fee and brokerage commission.

28. When may a participant withdraw from the Plan?

You may withdraw your shares from the Plan at any time, subject to the following conditions:

If your request to withdraw is received on or before the 20th of the month preceding a dividend payment date, that dividend will be paid to you and all subsequent dividends will be paid to you unless you re-enroll in the Plan.

If your request to withdraw is received by EquiServe after the 20th of the month preceding a dividend payment date, your request to withdraw may not become effective until that dividend has been reinvested and the shares purchased have been credited to your account under the Plan. EquiServe in its sole discretion, may either pay that dividend in cash to you or reinvest it in shares on your behalf. If the dividend is reinvested, EquiServe may sell the shares purchased and remit the sale proceeds to you, less any brokerage commissions, required withholding for income taxes, service fees and other costs of sale.

29. Can a participant change his or her Plan options?

Yes. You may change your options at any time by giving notice to EquiServe in writing, by telephone or through the Internet.

OTHER INFORMATION

30. What reports will be sent?

As soon as practicable after every purchase date on which there is activity in your account, you will receive a transaction statement. You will also receive copies of our annual reports, proxy statements and proxies as well as other correspondence generally sent to our shareholders.

31. What is the effect of a rights offering, stock dividend or stock split?

Any common shares distributed as a stock dividend on shares credited to your account, or held by you in stock certificate form, will be credited to your account, provided they are the same type, class and series as the shares currently held by you. In the event that rights are made available to subscribe to additional shares, debentures or other securities, the full shares held by you under the Plan may be combined with other shares of the same stock class registered in your name for purposes of calculating rights to be issued to you. Rights certificates will be issued with respect to whole shares only, however, and rights based on a fraction of a share held in your account will be sold for you and the net proceeds will be treated as a voluntary cash payment.

32. What is the liability of the Company and EquiServe under the Plan?

Neither we nor EquiServe will be liable for any act done in good faith or for any good faith omission to act. This limitation of liability applies to, among other things, claims arising out of failure to terminate your account upon death, the prices at which shares are purchased or sold, the times when purchases or sales are made, or fluctuations in the market value of our common stock.

Neither we nor EquiServe can provide any assurance of a profit or protection against loss on any shares purchased under the Plan.

33. May the Plan be modified or discontinued?

We have reserved the right to suspend, modify or discontinue the Plan at any time. Any suspension, modification or discontinuation of the Plan will be announced by us to all holders of common stock, including participants and non-participants in the Plan.

34. How will Plan shares be voted at the annual meeting of shareholders?

For each meeting of shareholders, you will receive proxy material that will enable you to vote both the shares registered in your name directly and/or whole shares credited to your account. That proxy will be voted as indicated by you on the proxy. If the proxy card is not returned or if it is returned unsigned by the registered owner, none of your shares will be voted. If you elect, all shares, including shares held in your account under the Plan, may be voted in person at the shareholders' meeting.

35. What happens to a participant's shares upon his or her death?

Upon your death, EquiServe will follow the instructions of your personal representative.

FEDERAL INCOME TAX CONSEQUENCES

Participants in the Plan, in general, have the same federal income tax obligations with respect to their dividends as do the holders of common stock who are not participating in the Plan.

When dividends are reinvested in common shares under the Plan, a participant will be treated for federal income tax purposes as having received, on the dividend payment date, dividends equal to the full amount payable to the participant on that date, even though the participant does not actually receive the dividends in cash but, instead, uses them to purchase additional shares under the Plan. The tax basis of shares acquired under the Plan is equal to the cost of such shares, including any brokerage commissions. A participant will not realize any taxable income when certificates for shares credited to the participant's account under the Plan are issued to the participant, whether upon request or upon withdrawal from or termination of the Plan.

A participant may realize gain or loss when shares (or a fraction of a share) are sold, either by EquiServe pursuant to the participant's request or by the participant after the shares have been withdrawn from his or her Plan account. The amount of any such gain or loss will be the difference between the amount which the participant receives for his or her shares (or fraction of share) and their tax basis.

The information relating to federal income taxes contained herein does not purport to be complete. We urge you to consult a tax advisor with respect to the taxation of reinvested dividends and sales of common stock acquired under the Plan.

COMMONWEALTH EDISON COMPANY

and

CITIBANK, N.A.

Trustee Under Indenture Dated as of September 1, 1987
as amended and supplemented

Supplemental Indenture Dated as of September 20, 2000

Providing for Issuance of

Floating Rate Senior Notes due September 30, 2002
Floating Rate Senior Notes due September 30, 2003

THIS SUPPLEMENTAL INDENTURE, dated as of the 20th day of September, 2000, between COMMONWEALTH EDISON COMPANY, a corporation duly organized and validly existing under the laws of the State of Illinois (hereinafter called the "Company"), and CITIBANK, N.A., a national banking association incorporated and existing under the laws of the United States of America (hereinafter called the "Trustee"), Trustee under the Indenture dated as of September 1, 1987, as amended and supplemented, between the Company and the Trustee (said Indenture, as heretofore amended and supplemented, hereinafter called the "Original Indenture").

W I T N E S S E T H:

WHEREAS, the Original Indenture provides for the issuance from time to time thereunder, in series, of Notes of the Company to provide funds for its corporate purposes; and

WHEREAS, the Company desires, by this Supplemental Indenture, to create (i) a series of Notes to be issuable under the Original Indenture and to be known as the Company's Floating Rate Senior Notes due September 30, 2002 (hereinafter called the "2002 Notes") and (ii) a series of notes to be issuable under the Original Indenture and to be known as the Company's Floating Rate Senior Notes due September 30, 2003 (hereinafter called the "2003 Notes"); and the terms and provisions of such 2002 Notes and 2003 Notes (collectively referred to herein as the "Senior Notes") to be as hereinafter set forth; and

WHEREAS, all things necessary to make the Senior Notes, when executed by the Company and authenticated and delivered by the Trustee and duly issued by the Company, the valid obligations of the Company, and to make this Supplemental Indenture a valid agreement of the Company, in accordance with their and its terms, have been done.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Senior Notes by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of such Holders, as follows:

Section 1. Defined Terms. All terms used in this Supplemental Indenture that are defined in the Original Indenture have the meanings assigned to them in the Original Indenture.

Section 2. Designation and Terms of the 2002 Notes. (a) A series of Notes created by this Supplemental Indenture shall be known and designated as the "Floating Rate Senior Notes due September 30, 2002" of the Company and shall be limited in aggregate principal amount to $200,000,000.00. The 2002 Notes shall be issued in substantially the form thereof attached as Exhibit A to this Supplemental Indenture.

The Stated Maturity of the 2002 Notes shall be September 30, 2002. The 2002 Notes shall bear interest as provided in the form thereof attached as Exhibit A to this Supplemental Indenture.

(b) Payment of principal of the 2002 Notes and, unless otherwise paid as hereinafter provided, the interest thereon will be made at the office or agency of the Company in the Borough of Manhattan, City and State of New York, provided, however, that payment of interest may be made at the option of the Company by check or draft mailed to the person entitled thereto at his address appearing in the Note Register.

Section 3. Designation and Terms of the 2003 Notes. (a) A series of Notes created by this Supplemental Indenture shall be known and designated as the "Floating Rate Senior Notes due September 30, 2003" of the Company and shall be limited in aggregate principal amount to $250,000,000.00. The 2003 Notes shall be issued in substantially the form thereof attached as Exhibit B to this Supplemental Indenture.

The Stated Maturity of the 2003 Notes shall be September 30, 2003. The 2003 Notes shall bear interest as provided in the form thereof attached as Exhibit B to this Supplemental Indenture.

(b) Payment of principal of the 2003 Notes and, unless otherwise paid as hereinafter provided, the interest thereon will be made at the office or agency of the Company in the Borough of Manhattan, City and State of New York, provided, however, that payment of interest may be made at the option of the Company by check or draft mailed to the person entitled thereto at his address appearing in the Note Register.

Section 4. Issuance of Senior Notes. (a) The Senior Notes may be issued in denominations of $100,000 and in integral multiples of $10,000 in excess thereof.

(b) Upon the execution of this Supplemental Indenture, the Senior Notes may be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall, upon receipt of the documents specified in Section 2.02 of the Original Indenture, thereupon authenticate and deliver said Senior Notes to or upon a Company Order.

Section 5. Redemption of Senior Notes. The Senior Notes will not be redeemable prior to September 30, 2001; and thereafter may be redeemed at the option of the Company, in whole or in part, beginning on September 30, 2001 and on the last Business Day of each calendar month thereafter, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest on such Senior Notes to the date of redemption. In order to redeem any such Senior Notes, the Company will give not less than 30 nor more than 60 days prior notice mailed to each registered holder of the Senior Notes to be redeemed at its registered address by first-class mail.

Section 6. Depository System. The Senior Notes intially will be issued pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"), as Depository Notes registered in the name of Cede & Co. (as nominee for The Depository Trust Company ("DTC"), New York, New York). The Senior Notes issued as Depository Notes shall bear the depository legend in substantially the form set forth in Exhibits A and B, as applicable. The Senior Notes will contain restrictions on transfer, substantially as described in the respective forms thereof set forth in Exhibits A and B hereto. Each Senior Note, whether issued as a Depository Note or in a certificated form, shall bear the non-registration legend in substantially

the form set forth in the applicable form of Senior Note, unless otherwise agreed by the Company, such agreement to be confirmed in writing to the Trustee. Nothing in this Supplemental Indenture shall be construed to require the Company to register any Senior Notes under the Securities Act, unless otherwise expressly agreed by the Company, confirmed in writing to the Trustee, or to make any transfer of any Senior Note in violation of applicable law.

It is contemplated that beneficial interests in the Senior Notes owned by qualified institutional buyers (as defined in Rule 144A under the Securities Act) ("QIBs") or sold to QIBs in reliance upon Rule 144A under the Securites Act will be represented by one or more separate Depository Notes registered in the name of Cede & Co., as registered owner and as nominee for DTC; beneficial interests in Senior Notes sold to foreign purchasers pursuant to Regulation S under the Securities Act will be evidenced by one or more Depository Notes (each a "Regulation S Depository Note") and will be registered in the name of Cede & Co., as registered owner and as nominee for DTC for the accounts of Euroclear and Clearstream Banking, societe anonyme ("Clearstream Luxembourg"); prior to the 40th day after the initial issuance of the Senior Notes, beneficial interests in a Regulation S Depository Note may be held only through Euroclear or Clearstream Luxembourg; Senior Notes acquired by institutional "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) ("IAIs") and other eligible transferees, who are not QIBs and who are not foreign purchasers pursuant to Regulation S under the Securities Act, will be in certificated form.

With respect to Notes registered in the name of DTC or its nominee, the Company and the Trustee shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds such notes from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "Depository Participant") or to any person on behalf of whom such a Depository Participant holds an interest in such notes (each such person being herein referred to as an "Indirect Participant"). Without limiting the immediately preceding sentence, the Company and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, its nominee or any Depository Participant with respect to any ownership interest in the Notes, (b) the delivery to any Depository Participant or any Indirect Participant or any other person, other than a registered owner of a Note, of any notice with respect to the Notes, (c) the payment to any Depository Participant or Indirect Participant or any other person, other than a registered owner of a Note, of any amount with respect to principal of, or interest on, the Notes, or (d) any consent given by DTC as registered owner. So long as certificates for the Notes of a particular series of Senior Notes are not issued, the Company and the Trustee may treat DTC or any successor securities depository as, and deem DTC or any successor securities depository to be, the absolute owner of such Notes for all purposes whatsoever, including without limitation (i) the payment of principal and interest on such Notes, (ii) giving notice of matters with respect to such Notes and (iii) registering transfers with respect to such Notes.

Notwithstanding any other provision of the Original Indenture to the contrary, so long as any Note is registered in the name of DTC or its nominee, all payments with respect to principal of and interest on such Note and all notices with respect to such Note shall be made and given, respectively, in the manner provided in the Representation Letter regarding the Senior Notes executed by the Trustee, the Company and DTC.

T E S T I M O N I U M

This Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the day and year first above written.

COMMONWEALTH EDISON COMPANY

By:/s/ Patricia L. Kampling

Patricia L. Kampling
Treasurer

ATTEST:

/s/ John P. McGarrity
- ---
John P. McGarrity
Secretary

CITIBANK, N.A.

By:/s/ P. DeFelice

Name: P. DeFelice
Title: Vice President

ATTEST:

/s/ Nancy Forte
- ---
Name: Nancy Forte
Title: Senior Trust Officer

EXHIBIT A

Form of Floating Rate Senior Note Due September 30, 2002

[depository legend]

Unless this Certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Company or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

[non-registration legend]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF THE COMPANY THAT THIS SECURITY MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED OTHER THAN (A) (1) TO THE COMPANY, (2) IN A TRANSACTION ENTITLED TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT, (3) SO LONG AS THIS SECURITY IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A (AS INDICATED BY THE BOX CHECKED BY THE TRANSFEROR ON THE CERTIFICATE OF TRANSFER ON THE REVERSE OF THIS SECURITY), (4) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT (AS INDICATED BY THE BOX CHECKED BY THE TRANSFEROR ON THE CERTIFICATE OF TRANSFER ON THE REVERSE OF THIS SECURITY), (5) TO AN INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT (AS INDICATED BY THE BOX CHECKED BY THE TRANSFEROR ON THE CERTIFICATE OF TRANSFER ON THE REVERSE OF THIS SECURITY) THAT IS ACQUIRING THIS SECURITY FOR INVESTMENT PURPOSES AND NOT FOR DISTRIBUTION, AND A CERTIFICATE IN THE FORM ATTACHED TO THIS SECURITY IS DELIVERED BY THE TRANSFEREE TO THE COMPANY AND THE TRUSTEE OR (6) IN ACCORDANCE WITH ANOTHER APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY) AND (B) IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF EACH STATE OF THE UNITED STATES. AN INSTITUTIONAL ACCREDITED INVESTOR HOLDING THIS SECURITY AGREES IT WILL FURNISH TO THE COMPANY AND THE TRUSTEE SUCH CERTIFICATES AND OTHER INFORMATION AS THEY MAY REASONABLY REQUIRE TO CONFIRM THAT ANY TRANSFER BY IT OF THIS SECURITY COMPLIES WITH THE FOREGOING RESTRICTIONS. tHE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE COMPANY THAT IT IS (1) A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A OR (2) AN INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT AND THAT IT IS HOLDING THIS SECURITY FOR INVESTMENT PURPOSES AND NOT FOR

DISTRIBUTION OR (3) A NON-u.S. PERSON OUTSIDE THE UNITED STATES WITHIN THE MEANING OF, OR AN ACCOUNT SATISFYING THE REQUIREMENTS OF PARAGRAPH (o)(2) OF RULE 902 UNDER, REGULATION S UNDER THE SECURITIES ACT.

No. R-__ Cusip No. ___

[FACE OF 2002 NOTE]

COMMONWEALTH EDISON COMPANY

FLOATING RATE SENIOR NOTE DUE SEPTEMBER 30, 2002

COMMONWEALTH EDISON COMPANY, a corporation duly organized and existing under the laws of the State of Illinois (herein referred to as the "Company", which term includes any successor corporation under the Indenture), for value received, hereby promises to pay to

or registered assigns, the principal sum of _____ Dollars ($_____) on September 30, 2002, and to pay interest on said principal sum quarterly on March 30, June 30, September 30 and December 30 of each year, commencing December 30, 2000 (each an "Interest Payment Date") at the per annum interest rate determined by the Calculation Agent on each Interest Determination Date, as such terms are defined herein, until the principal hereof is paid or made available for payment. Interest on the Notes of this series will accrue from September 21, 2000, to the first Interest Payment Date, and thereafter will accrue from the last Interest Payment Date to which interest has been paid or duly provided for. In the event that any Interest Payment Date is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (except that if such Business Day is in the next succeeding calendar month, payment will be made on the next preceding Business Day) with the same force and effect as if made on the Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Note (or one or more Predecessor Notes) is registered at the close of business on the Regular Record Date for such interest, which shall be the fifteenth day of the calendar month of such Interest Payment Date, provided, however, that interest payable at Maturity will be paid to the Person to whom principal is paid. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Note (or one or more Predecessor Notes) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Notes of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture referred to on the reverse hereof.

Payment of the principal of and interest on this Note will be made upon presentation at the office or agency of the Company maintained for that purpose in The City of New York, the State of New York in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, provided, however, that, at the option of the Company, interest on this Note may be paid by check mailed to the address of the person entitled thereto, as such address shall appear on the Note Register or by wire transfer to an account designated by the person entitled thereto.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed.

COMMONWEALTH EDISON COMPANY

By:_____
Chairman

By:_____
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Notes of the series designated herein referred to in the within-mentioned Indenture.

Dated:

CITIBANK, N.A., as Trustee

By:_____
Authorized Signatory

[Reverse of 2002 Note]

This Note is one of a duly authorized issue of notes of the Company (herein called the "Notes"), issued and to be issued in one or more series under an Indenture dated as of September 1, 1987 (herein, together with any supplements and amendments thereto, called the "Indenture") between the Company and Citibank, N.A., as Trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered.

Interest Calculation

The Notes of this series will bear interest at a per annum rate ("Interest Rate") determined by Citibank, N.A., or its successor appointed by the Company as permitted by the Indenture, acting as calculation agent ("Calculation Agent"). The Interest Rate for each Interest Period will be equal to LIBOR (as defined below) on the second London Business Day (as defined below) immediately preceding the first day of such Interest Period ("Interest Determination Date"), plus 0.500%; provided, however, that in certain circumstances described below, the Interest Rate will be determined in an alternative manner without reference to LIBOR. Promptly upon such determination, the Calculation Agent will notify the Trustee of the Interest Rate for such Interest Period. The determination of the Calculation Agent, absent manifest error, shall be binding and conclusive upon the holders of this Note, the Company and the Trustee.

Interest on the Notes of this series will accrue from and including September 21, 2000 ("Issue Date") to but excluding December 30, 2000 (the first Interest Payment Date) and thereafter from and including each Interest Payment Date to but excluding the next succeeding Interest Payment Date.

"London Business Day" shall mean a day on which dealings in deposits in U.S. Dollars are transacted, or with respect to any future date, are expected to be transacted, in the London interbank market.

"LIBOR," for any Interest Determination Date, will be the offered rate for deposits in U.S. Dollars having an index maturity of three months for a period commencing on the second London Business Day immediately following the Interest Determination Date ("Three Month Deposits") in amounts of not less than $1,000,000, as such rate appears on Telerate Page 3750 (as defined below), or a successor reporter of such rates selected by the Calculation Agent and acceptable to the Company, at approximately 11:00 A.M., London time, on the Interest Determination Date ("Reported Rate").

"Telerate Page 3750" means the display designated on page "3750" on Dow Jones Markets Limited (or such other page as may replace the 3750 page on that service or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for U.S. Dollar deposits).

If the following circumstances exist on any Interest Determination Date, the Calculation Agent shall determine the Interest Rate for the Notes of this series as follows:

(i) In the event no Reported Rate appears on Telerate Page 3750 as of approximately 11:00 A.M. London time on an Interest Determination Date, the Calculation Agent shall request the principal London offices of each of four major banks in the London interbank market selected

by the Calculation Agent (after consultation with the Company) to provide a quotation of the rate ("Rate Quotation") at which Three Month Deposits in amounts of not less than $1,000,000 are offered by it to prime banks in the London interbank market, as of approximately 11:00 A.M. London time on such Interest Determination Date, that is representative of single transactions at such time ("Representative Amounts"). If at least two Rate Quotations are provided, the Interest Rate will be the arithmetic mean of the Rate Quotations obtained by the Calculation Agent, plus 0.500%.

(ii) In the event no Reported Rate appears on Telerate Page 3750 and there are fewer than two Rate Quotations, the Interest Rate will be the arithmetic mean of the rates quoted at approximately 11:00 A.M. New York City time on such Interest Determination Date, by three major banks in New York, New York, selected by the Calculation Agent (after consultation with the Company), for loans in Representative Amounts in U.S. Dollars to leading European banks, having an index maturity of three months for a period commencing on the second London Business Day immediately following such Interest Determination Date, plus 0.500%; provided, however, that if fewer than three banks selected by the Calculation Agent are quoting such rates, the Interest Rate for the applicable period will be the same as the Interest Rate in effect for the immediately preceding Interest Period.

Upon the request of the Holder of this Note, the Calculation Agent will provide to such Holder the Interest Rate in effect on the date of such request and, if determined, the Interest Rate for the next Interest Period.

"Interest Period" shall mean the period commencing on an Interest Payment Date and ending on the day preceding the next succeeding Interest Payment Date, with the exception that the first Interest Period shall begin on the Issue Date and extend through the day preceding the first Interest Payment Date.

If an Interest Payment Date or the Maturity Date for the Notes of this series falls on a day that is not a Business Day in The City of New York, New York, the related payment of interest or principal and interest may be made on the next succeeding Business Day (except that if such Business Day is in the next succeeding calendar month, payment will be made on the next preceding Business Day) with the same force and effect as if it were made on the date such payment was due.

Interest will be computed for each Interest Period on the basis of the actual number of days for which interest is payable in such Interest Period, divided by 360. All percentages resulting from any calculation of any interest rate for the Notes of this series will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one millionths of a percentage point rounded upward and all dollar amounts will be rounded to the nearest cent, with one-half cent being rounded upward.

Redemption

The Notes of this series will not be redeemable prior to September 30, 2001; and thereafter may be redeemed at the option of the Company, in whole or in part, beginning on September 30, 2001 and on the last Business Day of each calendar month thereafter, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest on such Notes to the date of redemption. In order to redeem such Notes, Company will give not less than 30 nor more than 60 days prior notice mailed to each registered holder of the Notes of this series to be redeemed at its registered address by first-class mail.

If an Event of Default with respect to Notes of this series shall occur and be continuing, the principal of the Notes of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Notes at the time Outstanding of all series which are affected by such amendment or modification, except that certain amendments which do not adversely affect the rights of any Holder of the Notes may be made without the approval of Holders of the Notes. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Notes at the time Outstanding of all series affected to waive on behalf of the Holders of all Notes certain past defaults under the Indenture and their consequences. Any such waiver or consent by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

The Notes of this series are issuable only as Fully Registered Notes in denominations of $100,000 and in integral multiples of $10,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Notes of this series are exchangeable for a like aggregate principal amount of Notes of this series and of like tenor and of authorized denominations, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the absolute owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

Each Holder shall be deemed to understand that the offer and sale of the Notes of this series have not been registered under the Securities Act and that the Notes of this series may not be offered or sold except as permitted in the following sentence. Each Holder shall be deemed to agree, on its own behalf and on behalf of any accounts for which it is acting as hereinafter stated, that if such Holder sells any Notes of this series, such Holder will do so only (A) to the Company, (B) to a person whom it reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that the resale, pledge or transfer is being made in reliance on Rule 144A, (C) to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that, prior to such transfer, furnishes to the Trustee a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Notes of this series, (D) in an offshore transaction in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available), or (F) pursuant to an effective registration statement under the Securities Act, and each Holder is further deemed to agree to provide to any

person purchasing any of the Notes of this series from it a notice advising such purchaser that resales of the Notes of this series are restricted as stated herein.

Each Holder shall be deemed to understand that, on any proposed resale of any Notes of this series pursuant to the exemption from registration under Rule 144 under the Securities Act, any Holder making any such proposed resale will be required to furnish to the Trustee and Company such certifications, legal opinions and other information as the Trustee and Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions.

All terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

CERTIFICATE OF TRANSFER

Floating Rate Senior Notes due September 30, 2002

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

Name and address of assignee must be printed or typewritten.

the within Note of the Company and does hereby irrevocably constitute and appoint _____ to transfer the said Note on the books of the within-named Company, with full power of substitution in the premises. The undersigned certifies that said Note is being resold, pledged or otherwise transferred as follows: (check one)

|_| to the Company;

|_| to a Person whom the undersigned reasonably believes is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act of 1933, as amended (the "Securities Act") purchasing for its own account or for the account of a qualified institutional buyer to whom notice is given that the resale, pledge or other transfer is being made in reliance on Rule 144A;

|_| in an offshore transaction in accordance with Rule 904 of Regulation S under the Securities Act;

|_| to an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act that is acquiring this Note for investment purposes and not for distribution; (attach a copy of an Accredited Investor Certificate in the form annexed signed by an authorized officer of the transferee)

|_| as otherwise permitted by the non-registration legend appearing on this Note; or

|_| as otherwise agreed by the Company, confirmed in writing to the Trustee, as follows: [describe]

_____
Name:

Title:

Dated:_____

[FORM OF ACCREDITED INVESTOR CERTIFICATE]

[Transferor Name and Address]

Ladies and Gentlemen:

In connection with our proposed purchase of Floating Rate Senior Notes due September 30, 2002 (the "Senior Notes") issued by Commonwealth Edison Company ("Issuer"), we confirm that:

1. We have received a copy of the Offering Memorandum dated September 14, 2000 (the "Offering Memorandum") relating to the Senior Notes and such other information as we deem necessary in order to make our investment decision. We acknowledge that we have read and agree to the matters stated under the caption NOTICE TO INVESTORS in such Offering Memorandum, and the restrictions on duplication or circulation of, or disclosure relating to, such Offering Memorandum.

2. We understand that any subsequent transfer of the Senior Notes is subject to certain restrictions and conditions set forth in the Indenture dated as of September 1, 1987, as supplemented and amended (the "Indenture"), pursuant to which the Senior Notes have been issued, and that any subsequent transfer of the Senior Notes is subject to certain restrictions and conditions set forth under NOTICE TO INVESTORS in the Offering Memorandum and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Senior Notes except in compliance with such restrictions and conditions and the Securities Act of 1933, as amended ("Securities Act").

3. We understand that the offer and sale of the Senior Notes have not been registered under the Securities Act, and that the Senior Notes may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we sell any Senior Notes, we will do so only (A) to the Company, (B) to a person whom we reasonably believe is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that the resale, pledge or transfer is being made in reliance on Rule 144A, (C) to an institutional "accredited investor"(as defined below) that, prior to such transfer, furnishes to the Trustee (as defined in the Indenture) a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Senior Notes (substantially in the form of this letter), (D) in an offshore transaction in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available), or (F) in accordance with another applicable exemption from the registration requirements of the Securities Act, and we further agree to provide to any person purchasing any of the Senior Notes from us a notice advising such purchaser that resales of the Senior Notes are restricted as stated herein.

4. We understand that, on any proposed resale of any Senior Note, we will be required to furnish to the Trustee and Issuer such certifications, legal opinions and other information as the Trustee and Issuer may reasonably require to confirm that the proposed sale complies with the forgoing restrictions. We further understand that the Senior Notes purchased by us will bear a legend to the foregoing effect.

5. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Senior Notes, and we and any accounts for which are acting are each able to bear the economic risk of our or its investment.

6. We are acquiring the Senior Notes purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You, the Issuer and the Trustee are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

By:_____
Name:_____
Title:_____

EXHIBIT B

Form of Floating Rate Senior Note Due September 30, 2003

[depository legend]

Unless this Certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Company or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

[non-registration legend]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF THE COMPANY THAT THIS SECURITY MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED OTHER THAN (A) (1) TO THE COMPANY, (2) IN A TRANSACTION ENTITLED TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT, (3) SO LONG AS THIS SECURITY IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A (AS INDICATED BY THE BOX CHECKED BY THE TRANSFEROR ON THE CERTIFICATE OF TRANSFER ON THE REVERSE OF THIS SECURITY), (4) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT (AS INDICATED BY THE BOX CHECKED BY THE TRANSFEROR ON THE CERTIFICATE OF TRANSFER ON THE REVERSE OF THIS SECURITY), (5) TO AN INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT (AS INDICATED BY THE BOX CHECKED BY THE TRANSFEROR ON THE CERTIFICATE OF TRANSFER ON THE REVERSE OF THIS SECURITY) THAT IS ACQUIRING THIS SECURITY FOR INVESTMENT PURPOSES AND NOT FOR DISTRIBUTION, AND A CERTIFICATE IN THE FORM ATTACHED TO THIS SECURITY IS DELIVERED BY THE TRANSFEREE TO THE COMPANY AND THE TRUSTEE OR (6) IN ACCORDANCE WITH ANOTHER APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY) AND (B) IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF EACH STATE OF THE UNITED STATES. AN INSTITUTIONAL ACCREDITED INVESTOR HOLDING THIS SECURITY AGREES IT WILL FURNISH TO THE COMPANY AND THE TRUSTEE SUCH CERTIFICATES AND OTHER INFORMATION AS THEY MAY REASONABLY REQUIRE TO CONFIRM THAT ANY TRANSFER BY IT OF THIS SECURITY COMPLIES WITH THE FOREGOING RESTRICTIONS. tHE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE COMPANY THAT IT IS (1) A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A OR (2) AN INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT AND THAT IT IS HOLDING THIS SECURITY FOR INVESTMENT PURPOSES AND NOT FOR

DISTRIBUTION OR (3) A NON-u.S. PERSON OUTSIDE THE UNITED STATES WITHIN THE MEANING OF, OR AN ACCOUNT SATISFYING THE REQUIREMENTS OF PARAGRAPH (o)(2) OF RULE 902 UNDER, REGULATION S UNDER THE SECURITIES ACT.

No. R-__ Cusip No. ___

[FACE OF 2003 NOTE]

COMMONWEALTH EDISON COMPANY

FLOATING RATE SENIOR NOTE DUE SEPTEMBER 30, 2003

COMMONWEALTH EDISON COMPANY, a corporation duly organized and existing under the laws of the State of Illinois (herein referred to as the "Company", which term includes any successor corporation under the Indenture), for value received, hereby promises to pay to

or registered assigns, the principal sum of _____ Dollars ($_____) on September 30, 2003, and to pay interest on said principal sum quarterly on March 30, June 30, September 30 and December 30 of each year, commencing December 30, 2000 (each an "Interest Payment Date") at the per annum interest rate determined by the Calculation Agent on each Interest Determination Date, as such terms are defined herein, until the principal hereof is paid or made available for payment. Interest on the Notes of this series will accrue from September 21, 2000, to the first Interest Payment Date, and thereafter will accrue from the last Interest Payment Date to which interest has been paid or duly provided for. In the event that any Interest Payment Date is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (except that if such Business Day is in the next succeeding calendar month, payment will be made on the next preceding Business Day) with the same force and effect as if made on the Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Note (or one or more Predecessor Notes) is registered at the close of business on the Regular Record Date for such interest, which shall be the fifteenth day of the calendar month of such Interest Payment Date, provided, however, that interest payable at Maturity will be paid to the Person to whom principal is paid. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Note (or one or more Predecessor Notes) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Notes of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture referred to on the reverse hereof.

Payment of the principal of and interest on this Note will be made upon presentation at the office or agency of the Company maintained for that purpose in The City of New York, the State of New York in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, provided, however, that, at the option of the Company, interest on this Note may be paid by check mailed to the address of the person entitled thereto, as such address shall appear on the Note Register or by wire transfer to an account designated by the person entitled thereto.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed.

COMMONWEALTH EDISON COMPANY

By:_____
Chairman

By:_____
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Notes of the series designated herein referred to in the within-mentioned Indenture.

Dated:

CITIBANK, N.A., as Trustee

By:_____
Authorized Signatory

[Reverse of 2003 Note]

This Note is one of a duly authorized issue of notes of the Company (herein called the "Notes"), issued and to be issued in one or more series under an Indenture dated as of September 1, 1987 (herein, together with any supplements and amendments thereto, called the "Indenture") between the Company and Citibank, N.A., as Trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered.

Interest Calculation

The Notes of this series will bear interest at a per annum rate ("Interest Rate") determined by Citibank, N.A., or its successor appointed by the Company as permitted by the Indenture, acting as calculation agent ("Calculation Agent"). The Interest Rate for each Interest Period will be equal to LIBOR (as defined below) on the second London Business Day (as defined below) immediately preceding the first day of such Interest Period ("Interest Determination Date"), plus 0.625%; provided, however, that in certain circumstances described below, the Interest Rate will be determined in an alternative manner without reference to LIBOR. Promptly upon such determination, the Calculation Agent will notify the Trustee of the Interest Rate for such Interest Period. The determination of the Calculation Agent, absent manifest error, shall be binding and conclusive upon the holders of this Note, the Company and the Trustee.

Interest on the Notes of this series will accrue from and including September 21, 2000 ("Issue Date") to but excluding December 30, 2000 (the first Interest Payment Date) and thereafter from and including each Interest Payment Date to but excluding the next succeeding Interest Payment Date.

"London Business Day" shall mean a day on which dealings in deposits in U.S. Dollars are transacted, or with respect to any future date, are expected to be transacted, in the London interbank market.

"LIBOR," for any Interest Determination Date, will be the offered rate for deposits in U.S. Dollars having an index maturity of three months for a period commencing on the second London Business Day immediately following the Interest Determination Date ("Three Month Deposits") in amounts of not less than $1,000,000, as such rate appears on Telerate Page 3750 (as defined below), or a successor reporter of such rates selected by the Calculation Agent and acceptable to the Company, at approximately 11:00 A.M., London time, on the Interest Determination Date ("Reported Rate").

"Telerate Page 3750" means the display designated on page "3750" on Dow Jones Markets Limited (or such other page as may replace the 3750 page on that service or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for U.S. Dollar deposits).

If the following circumstances exist on any Interest Determination Date, the Calculation Agent shall determine the Interest Rate for the Notes of this series as follows:

(i) In the event no Reported Rate appears on Telerate Page 3750 as of approximately 11:00 A.M. London time on an Interest Determination Date, the Calculation Agent shall request the principal London offices of each of four major banks in the London interbank market selected

by the Calculation Agent (after consultation with the Company) to provide a quotation of the rate ("Rate Quotation") at which Three Month Deposits in amounts of not less than $1,000,000 are offered by it to prime banks in the London interbank market, as of approximately 11:00 A.M. London time on such Interest Determination Date, that is representative of single transactions at such time ("Representative Amounts"). If at least two Rate Quotations are provided, the Interest Rate will be the arithmetic mean of the Rate Quotations obtained by the Calculation Agent, plus 0.625%.

(ii) In the event no Reported Rate appears of Telerate Page 3750 and there are fewer than two Rate Quotations, the Interest Rate will be the arithmetic mean of the rates quoted at approximately 11:00 A.M. New York City time on such Interest Determination Date, by three major banks in New York, New York, selected by the Calculation Agent (after consultation with the Company), for loans in Representative Amounts in U.S. Dollars to leading European banks, having an index maturity of three months for a period commencing on the second London Business Day immediately following such Interest Determination Date, plus 0.625%; provided, however, that if fewer than three banks selected by the Calculation Agent are quoting such rates, the Interest Rate for the applicable period will be the same as the Interest Rate in effect for the immediately preceding Interest Period.

Upon the request of the Holder of this Note, the Calculation Agent will provide to such Holder the Interest Rate in effect on the date of such request and, if determined, the Interest Rate for the next Interest Period.

"Interest Period" shall mean the period commencing on an Interest Payment Date and ending on the day preceding the next succeeding Interest Payment Date, with the exception that the first Interest Period shall begin on the Issue Date and extend through the day preceding the first Interest Payment Date.

If an Interest Payment Date or the Maturity Date for the Notes of this series falls on a day that is not a Business Day in The City of New York, New York, the related payment of interest or principal and interest may be made on the next succeeding Business Day (except that if such Business Day is in the next succeeding calendar month, payment will be made on the next preceding Business Day) with the same force and effect as if it were made on the date such payment was due.

Interest will be computed for each Interest Period on the basis of the actual number of days for which interest is payable in such Interest Period, divided by 360. All percentages resulting from any calculation of any interest rate for the Notes of this series will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one millionths of a percentage point rounded upward and all dollar amounts will be rounded to the nearest cent, with one-half cent being rounded upward.

Redemption

The Notes of this series will not be redeemable prior to September 30, 2001; and thereafter may be redeemed at the option of the Company, in whole or in part, beginning on September 30, 2001 and on the last Business Day of each calendar month thereafter, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest on such Notes to the date of redemption. In order to redeem such Notes, Company will give not less than 30 nor more than 60 days prior notice mailed to each registered holder of the Notes of this series to be redeemed at its registered address by first-class mail.

If an Event of Default with respect to Notes of this series shall occur and be continuing, the principal of the Notes of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Notes at the time Outstanding of all series which are affected by such amendment or modification, except that certain amendments which do not adversely affect the rights of any Holder of the Notes may be made without the approval of Holders of the Notes. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Notes at the time Outstanding of all series affected to waive on behalf of the Holders of all Notes certain past defaults under the Indenture and their consequences. Any such waiver or consent by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

The Notes of this series are issuable only as Fully Registered Notes in denominations of $100,000 and in integral multiples of $10,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Notes of this series are exchangeable for a like aggregate principal amount of Notes of this series and of like tenor and of authorized denominations, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the absolute owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

Each Holder shall be deemed to understand that the offer and sale of the Notes of this series have not been registered under the Securities Act and that the Notes of this series may not be offered or sold except as permitted in the following sentence. Each Holder shall be deemed to agree, on its own behalf and on behalf of any accounts for which it is acting as hereinafter stated, that if such Holder sells any Notes of this series, such Holder will do so only (A) to the Company, (B) to a person whom it reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that the resale, pledge or transfer is being made in reliance on Rule 144A, (C) to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that, prior to such transfer, furnishes to the Trustee a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Notes of this series, (D) in an offshore transaction in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available), or (F) pursuant to an effective registration statement under the Securities Act, and each Holder is further deemed to agree to provide to

any person purchasing any of the Notes of this series from it a notice advising such purchaser that resales of the Notes of this series are restricted as stated herein.

Each Holder shall be deemed to understand that, on any proposed resale of any Notes of this series pursuant to the exemption from registration under Rule 144 under the Securities Act, any Holder making any such proposed resale will be required to furnish to the Trustee and Company such certifications, legal opinions and other information as the Trustee and Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions.

All terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

CERTIFICATE OF TRANSFER

Floating Rate Senior Notes due September 30, 2003

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

Name and address of assignee must be printed or typewritten.

the within Note of the Company and does hereby irrevocably constitute and appoint _____ to transfer the said Note on the books of the within-named Company, with full power of substitution in the premises. The undersigned certifies that said Note is being resold, pledged or otherwise transferred as follows: (check one)

|_| to the Company;

|_| to a Person whom the undersigned reasonably believes is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act of 1933, as amended (the "Securities Act") purchasing for its own account or for the account of a qualified institutional buyer to whom notice is given that the resale, pledge or other transfer is being made in reliance on Rule 144A;

|_| in an offshore transaction in accordance with Rule 904 of Regulation S under the Securities Act;

|_| to an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act that is acquiring this Note for investment purposes and not for distribution; (attach a copy of an Accredited Investor Certificate in the form annexed signed by an authorized officer of the transferee)

|_| as otherwise permitted by the non-registration legend appearing on this Note; or

|_| as otherwise agreed by the Company, confirmed in writing to the Trustee, as follows: [describe]

_____
Name:

Title:

Dated:_____

[FORM OF ACCREDITED INVESTOR CERTIFICATE]

[Transferor Name and Address]

Ladies and Gentlemen:

In connection with our proposed purchase of Floating Rate Senior Notes due September 30, 2003 (the "Senior Notes") issued by Commonwealth Edison Company ("Issuer"), we confirm that:

1. We have received a copy of the Offering Memorandum dated September 14, 2000 (the "Offering Memorandum") relating to the Senior Notes and such other information as we deem necessary in order to make our investment decision. We acknowledge that we have read and agree to the matters stated under the caption NOTICE TO INVESTORS in such Offering Memorandum, and the restrictions on duplication or circulation of, or disclosure relating to, such Offering Memorandum.

2. We understand that any subsequent transfer of the Senior Notes is subject to certain restrictions and conditions set forth in the Indenture dated as of September 1, 1987, as supplemented and amended (the "Indenture"), pursuant to which the Senior Notes have been issued, and that any subsequent transfer of the Senior Notes is subject to certain restrictions and conditions set forth under NOTICE TO INVESTORS in the Offering Memorandum and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Senior Notes except in compliance with such restrictions and conditions and the Securities Act of 1933, as amended ("Securities Act").

3. We understand that the offer and sale of the Senior Notes have not been registered under the Securities Act, and that the Senior Notes may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we sell any Senior Notes, we will do so only (A) to the Company, (B) to a person whom we reasonably believe is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that the resale, pledge or transfer is being made in reliance on Rule 144A, (C) to an institutional "accredited investor"(as defined below) that, prior to such transfer, furnishes to the Trustee (as defined in the Indenture) a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Senior Notes (substantially in the form of this letter), (D) in an offshore transaction in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available), or (F) in accordance with another applicable exemption from the registration requirements of the Securities Act, and we further agree to provide to any person purchasing any of the Senior Notes from us a notice advising such purchaser that resales of the Senior Notes are restricted as stated herein.

4. We understand that, on any proposed resale of any Senior Note, we will be required to furnish to the Trustee and Issuer such certifications, legal opinions and other information as the Trustee and Issuer may reasonably require to confirm that the proposed sale complies with the forgoing restrictions. We further understand that the Senior Notes purchased by us will bear a legend to the foregoing effect.

5. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Senior Notes, and we and any accounts for which are acting are each able to bear the economic risk of our or its investment.

6. We are acquiring the Senior Notes purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You, the Issuer and the Trustee are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

By:_____
Name:_____
Title:_____

FIRST AMENDMENT TO THE EXEL0N CORPORATION 1989 LONG TERM INCENTIVE PLAN

The Exelon Corporation Long Term Incentive Plan, as amended and restated, effective October 20, 2000 (the "Plan"), is hereby further amended, effective October 20, 2000, as follows:

I

The name of the Plan is hereby amended to be the Exelon Corporation Long Term Incentive Plan.

II

Section 5(e)(i) is amended to read as follows:

"(e) Termination of Employment, Disability or Death.

(i) If a Grantee's employment by the Company terminates by reason of Retirement, death or Disability, then on the date of such Retirement, death or Disability, any Option held by such Grantee shall, notwithstanding Section 5(d) hereof, become exercisable as to all of the shares of Company Stock remaining subject to such Option and may (1) in the cases of Retirement or Disability, be exercised by such Grantee or his or her legal representative, Successor Grantee (as defined in Section 12(a)) or permitted transferees, as the case may be, until 11:59 p.m. (CST or CDT, as applicable) on the fifth anniversary of the Grantee's Retirement or termination of employment on account of Disability or, if earlier, the last day of the term of such Option, or (2) in the case of death, be exercised by such Grantee's legal representative, Successor Grantee or permitted transferees, as the case may be, until 11:59 p.m. (CST or CDT, as applicable) on the third anniversary of the date of death or, if earlier, the last day of the term of such Option."

III

Section 5(e)(iv) is amended to read as follows:

"(e) Termination of Employment, Disability or Death.

(iv) Notwithstanding any provision of the Plan or any Grant Instrument to the contrary, if, within 24 months following a Change in Control, Grantee's employment is terminated (i) by the Company other than for Cause, or (ii) by the Grantee for Good Reason, outstanding Options shall immediately become fully exercisable and may thereafter be exercised by the Grantee or his or her legal representative, Successor Grantee or permitted transferees, as the case may be, until the last day of the term of the Option; provided, however, that a termination of employment with the Company or a subsidiary thereof and immediate reemployment by an entity which purchases or otherwise acquires Company assets shall not be a termination of employment within the meaning of this Section 5(e)(iv)."

IV

Except as herein amended, the Plan shall remain in full force and effect.

Executed this 22nd day of December, 2000.

EXELON CORPORATION

By: /s/ S. Gary Snodgrass

S. Gary Snodgrass
Senior Vice President

CHANGE IN CONTROL AGREEMENT
FOR SENIOR OFFICERS OF PECO ENERGY COMPANY

THIS AGREEMENT dated _____, 1999 (the "Agreement Date") is made by and among PECO Energy Company, a Pennsylvania corporation, and its subsidiaries, affiliated corporate entities, successors and assigns which may exist from time to time including without limitation any company into or with which PECO Energy Company may merge or consolidate (hereinafter referred to as the "Company"), and _____ (the "Executive") as a Senior Officer of the Company.

ARTICLE I
PURPOSES

The Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued services of the Executive, despite the possibility or occurrence of a Change in Control of the Company. The Board believes it is imperative to reduce the distraction of the Executive that would result from the personal uncertainties caused by a pending or threatened Change in Control, to encourage the Executive's full attention and dedication to the Company, and to provide the Executive with compensation and benefits arrangements upon a Change in Control which are competitive with those of similarly-situated corporations. This Agreement is intended to accomplish these objectives.

ARTICLE II
CERTAIN DEFINITIONS

When used in this Agreement, the terms specified below shall have the following meanings:

2.1 "Agreement Term" means the period commencing on the Agreement Date and ending on the second anniversary of the Agreement Date; provided, however, that commencing on the first anniversary of the Agreement Date, the Agreement Term shall be automatically extended each day by one day to create a new two-year term, unless at least 60 days prior to the last day of any such extended Agreement Term, the Company shall give notice to the Executive that the Agreement Term shall not be so extended. The Agreement Term shall include the Employment Period and the Severance Period (each as defined below).

2.2 "Effective Date" means the first date during the Agreement Term on which a Change in Control occurs. Anything in this Agreement to the contrary notwithstanding, if a Change in Control occurs and the Executive's employment with the Company is terminated prior to the date on which the Change in Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (a) was at the request of a third party who has taken

steps reasonably calculated to effect a Change in Control, or (b) otherwise arose in connection with or in anticipation of a Change in Control, then for all purposes of this Agreement, the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

2.3 "Change in Control" means:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock"), or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from the Company); (B) any acquisition by the Company; (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company (a "Company Plan"); or (D) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this definition; provided further, that for purposes of clause (B), if any Person (other than the Company or any Company Plan) shall become the beneficial owner of 20% or more of the Outstanding Company Common Stock or 20% or more of the Outstanding Company Voting Securities by reason of an acquisition by the Company, and such Person shall, after such acquisition by the Company, become the beneficial owner of any additional shares of the Outstanding Company Common Stock or any additional Outstanding Company Voting Securities (other than pursuant to any dividend reinvestment plan or arrangement maintained by the Company) and such beneficial ownership is publicly announced, such additional beneficial ownership shall constitute a Change in Control; or

(b) Individuals who, as of the date hereof, constitute the Board of Directors of the Company (for purposes of this Section 2.3, the "Incumbent Board") cease for any reason to constitute at least a majority of the Incumbent

Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest (as such terms are used in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Approval by the shareholders of the Company of a reorganization, merger or consolidation, or the sale or other disposition of more than 50% of the operating assets of the Company (determined on a consolidated basis), other than in connection with a sale-leaseback or other arrangement resulting in the continued utilization of such assets (or the operating products of such assets) by the Company (such sale or other disposition, a "Corporate Transaction"); excluding, however, a Corporate Transaction pursuant to which:

(i) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than 60% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which, as a result of such transaction, owns the Company or all or substantially all of the assets of the Company either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be;

(ii) no Person (other than the Company, any Company Plan or related trust of the Company, the corporation resulting from such Corporate Transaction, and any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 20% or more of the Outstanding Company Common Stock or the Outstanding Company Voting Securities, as the case may be) will beneficially own, directly or indirectly, 20% or more of, respectively, the then-outstanding common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation; and

(iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(d) Approval by the shareholders of the Company of a plan of complete liquidation or dissolution of the Company, other than a plan of liquidation or dissolution which results in the acquisition of all or substantially all of the assets of the Company or an affiliated company.

(e) Notwithstanding the foregoing, the consummation of the merger (as such term is defined in the Agreement and Plan of Exchange and Merger dated as of September 22, 1999) among the Company, New Holdco, a Pennsylvania corporation and a wholly owned subsidiary of the Company, and Unicom Corporation, an Illinois Corporation, shall constitute a change in control for purposes of this Agreement.

2.4 "Code" means the Internal Revenue Code of 1986, as amended.

2.5 "Employment Period" means the period commencing on the Effective Date and ending on the second anniversary of such date.

2.6 "Incentive Plan" See Section 3.2(b).

2.7 "Notice of Termination" means a written notice given in accordance with Section 13.8 which sets forth (a) the specific termination provision in this Agreement relied upon by the party giving such notice, (b) in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under such termination provision, and (c) if the Termination Date is other than the date of receipt of such Notice of Termination, the Termination Date.

2.8 "Plans" See Section 3.2(c).

2.9 "Severance Incentive" means the greater of (i) the target annual incentive under an Incentive Plan applicable to the Executive for the Performance Period in which the Termination Date occurs, or (ii) the average of the actual annual incentives paid (or payable, to the extent not previously paid) to the Executive under the Incentive Plan for each of the two calendar years preceding the calendar year in which the Termination Date occurs.

2.10 "Severance Period" means the period beginning on the Executive's Termination Date and ending on the third anniversary thereof.

2.11 "Termination Date" means the date of termination of the Executive's employment; provided, however, that (a) if the Company terminates the Executive's employment other than for Cause or Disability (as defined in Section 4.1(b)), then the Termination Date shall be the date of receipt of the Notice of Termination and (b) if the Executive's employment is terminated by reason of death or Disability, then the Termination Date shall be the date of death of the Executive of the Disability Effective Date (as defined in Section 4.1(a)), as the case may be.

2.12 "Welfare Plans" See Section 3.2(d).

ARTICLE III
TERMS OF EMPLOYMENT

3.1 Position and Duties.

(a) The Company hereby agrees to continue the Executive in its employ during the Employment Period, and subject to Article IV of this Agreement, the Executive agrees to remain in the employ of the Company subject to the terms and conditions hereof. During the Employment Period: (i) the Executive's position (including status, offices, titles and reporting requirements), authority, duties, and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned to the

Executive at any time during the 90-day period immediately preceding the Effective Date, and (ii) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 50 miles from such location.

(b) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive (i) to serve on corporate, civic or charitable boards or committees, (ii) to deliver lectures, fulfill speaking engagements or teach at educational institutions and (iii) to manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

3.2 Compensation.

(a) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and, thereafter shall be reviewed and increased at any time and from time to time as shall be substantially consistent with increases in base salary awarded to other peer executives of the Company. Annual Base Salary shall not be reduced after any such increase unless such reduction is part of a policy, program or arrangement applicable to peer executives of the Company and of any successor entity, and the term Annual Base Salary as used in this Agreement shall refer to Annual Base Salary as so increased. Any increase in Annual Base Salary shall not limit or reduce any other obligation of the Company to the Executive under this Agreement.

(b) Annual Incentive. In addition to Annual Base Salary, the Company shall pay or cause to be paid to the Executive an incentive award (the "Annual Incentive") for each Performance Period which ends during the Employment Period. "Performance Period" means each period of time designated in accordance with any annual incentive award arrangement ("Incentive Plan") which is based upon

performance and approved by the Board or any committee of the Board, or in the absence of any Incentive Plan or any such designated period of time, Performance Period shall mean each calendar year. The Executive's target and maximum Annual Incentive with respect to any Performance Period shall not be less than the target and maximum annual incentive award payable with respect to the Executive under the Company's annual incentive program as in effect immediately preceding the Effective Date.

(c) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs ("Plans") applicable generally to other peer executives of the Company, but in no event shall such Plans provide the Executive with incentives (measured with respect to long-term and special incentives, to the extent, if any, that such distinctions are applicable) or savings and retirement benefits which, in each case, are less favorable, in the aggregate than the greater of (i) those provided by the Company for the Executive under such Plans as in effect at any time during the 90-day period immediately preceding the Effective Date, or (ii) those provided generally at any time after the Effective Date to other peer executives of the Company.

(d) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs ("Welfare Plans") provided by the Company (including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance benefits), but in no event shall such Welfare Plans provide the Executive with benefits which are less favorable, in the aggregate, than the greater of (i) those provided by the Company for the Executive under such Welfare Plans as were in effect at any time during the 90-day period immediately preceding the Effective Date, or (ii) those provided generally at any time after the Effective Date to other peer executives of the Company.

(e) Other Employee Benefits. During the Employment Period, the Executive shall be entitled to other employee benefits and perquisites in accordance with the most favorable plans, practices, programs and policies of the Company, as in effect with respect to the Executive at any time during the 90-day period immediately preceding the Effective Date, or if more favorable, as in effect generally with respect to other peer executives of the Company.

(f) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursements for all reasonable expenses incurred by the Executive in accordance with the policies, practices and procedures of the Company as in effect with respect to the Executive at any time during the 90-day period immediately preceding the Effective Date, or if more favorable, as in effect generally with respect to other peer executives of the Company.

(g) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, as in effect with respect to the Executive at any time during the 90-day period immediately preceding the Effective Date, or if more favorable, as provided generally with respect to other peer executives of the Company.

(h) Paid Time Off. During the Employment Period, the Executive shall be entitled to paid time off in accordance with the plans, policies, programs and practices of the Company as in effect with respect to the Executive at any time during the 90-day period immediately preceding the Effective Date, or if more favorable, as provided generally with respect to other peer executives of the Company.

(i) Subsidiaries. To the extent that immediately prior to the Effective Date, the Executive has been on the payroll of, and participated in the incentive or employee benefit plans of, a subsidiary of the Company, the references to the Company contained in Sections 3.2(a) through 3.2(h) and the other Sections of this Agreement referring to benefits to which the Executive may be entitled shall be read to refer to such subsidiary.

ARTICLE IV
TERMINATION OF EMPLOYMENT

4.1 Disability.

(a) During the Agreement Term, the Company may terminate the Executive's employment upon the Executive's Disability (as defined in Section 4.1(b)) by giving the Executive or his legal representative, as applicable, (1) written notice in accordance with Section 13.8 of the Company's intention to terminate the Executive's employment pursuant to this Section, and (2) a certification of the Executive's Disability by a physician selected by the Company or its insurers and reasonably acceptable to the Executive or the Executive's legal representative. The Executive's employment shall terminate effective on the 30th day (the "Disability Effective Date") after the Executive's receipt of such notice unless, before the Disability Effective Date, the Executive shall have resumed the full-time performance of the Executive's duties.

(b) "Disability" means any medically determinable physical or mental impairment that has lasted for a continuous period of not less than six months and can be expected to be permanent or of indefinite duration, and which renders the Executive unable to perform the duties required under this Agreement.

4.2 Death. The Executive's employment shall terminate automatically upon the Executive's death during the Agreement Term.

4.3 Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" means:

(a) The Executive's willful commission of acts or omissions which have, have had, or are likely to have, a material adverse effect on the business, operations, financial condition or reputation of the Company;

(b) The Executive's conviction (including a plea of guilty or nolo contendere) of a felony or any crime of fraud, theft, dishonesty, or moral turpitude; or

(c) The Executive's material violation of any statutory or common law duty of loyalty to the Company.

For purposes of this Agreement, no act, or failure to act, on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company, or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than 60% of the entire membership of the Board at a meeting of such Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in paragraph (a) or (c) above, and specifying the particulars thereof in detail.

4.4 Good Reason. During the Employment Period, the Executive's employment may be terminated by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" means any material breach of this Agreement by the Company, including:

(a) The failure to maintain the Executive in the office or position, or in a substantially equivalent office or position, held by the Executive immediately prior to the Change in Control;

(b) A material adverse alteration in the nature or scope of the Executive's position, duties, functions, responsibilities or authority;

(c) A material reduction of the Executive's salary, incentive compensation or benefits, unless such reduction is part of a policy, program or arrangement applicable to peer executives of the Company and of any successor entity;

(d) A determination by the Executive, made in good faith during the Agreement Term, that, as a result of the Change in Control, the Executive is substantially unable to perform, or that there has been a material reduction in, any of the Executive's duties, functions, responsibilities or authority;

(e) The failure of any successor to the Company to assume this Agreement, or a material breach of the Agreement by the Company or its successor;

(f) A relocation of more than 50 miles of (i) the Executive's workplace, or (ii) the principal offices of the Company (if such offices are the Executive's workplace), in each case without the consent of the Executive;

(g) A requirement of at least 20% more business travel than was required of the Executive prior to the Change in Control; or

(h) Any failure by the Company to comply with any of the provisions of Section 3.2 of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive; provided, however, that an act or omission shall not constitute a material breach of this Agreement by the Company:

(i) unless the Executive gives the Company 30 days' prior notice of such act or omission and the Company fails to cure such act or omission within the 30-day period;

(ii) if the Executive first acquired knowledge of such act or omission more than 12 months before the Executive gives the Company such notice; or

(iii) if the Executive has consented in writing to such act or omission in a document that makes specific reference to this Section.

ARTICLE V
OBLIGATIONS OF THE COMPANY UPON TERMINATION

5.1 If by the Executive for Good Reason or by the Company Other Than for Cause or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Disability, or if the Executive shall terminate employment for Good Reason, the Company's obligations to the Executive shall be as follows:

(a) Within five business days of such termination of employment, the Company shall pay the Executive a cash payment equal to the sum of the following amounts:

(i) to the extent not previously paid, the Annual Base Salary and any accrued paid time off through the Termination Date;

(ii) an amount equal to the product of (1) the Annual Incentive (as defined in Section 3.2(b)) for the Performance Period in which the Termination Date occurs multiplied by (2) a fraction, the numerator of which is the number of days actually worked during such Performance Period, and the denominator of which is 365; or, if greater, the amount of any Annual Incentive

paid or payable to the Executive with respect to the Performance Period for the year in which the Termination Date occurs; and,

(iii) all amounts previously deferred by or accrued to the benefit of the Executive under any nonqualified deferred compensation plan sponsored by the Company, excluding the Supplemental Executive Retirement and Deferred Compensation Plan (the "SERP"), together with any accrued earnings thereon, and not yet paid by the Company.

(b) The Company shall pay the Executive an amount equal to the product of (1) three multiplied by (2) the sum of the Executive's Annual Base Salary plus the Severance Incentive. This amount shall be paid to the Executive in the following manner:

(i) no later than the tenth day of each month, for the first twenty four months following the Executive's Termination Date, the Company shall pay to the Executive an amount equal to the monthly pro-rata sum of the Executive's Annual Base Salary plus the Severance Incentive.

(ii) at the expiration of the twenty four month period, and no later than the tenth day of the twenty fifth month, the Company shall pay Executive, in a lump sum, an amount equal to the sum of the Executive's Annual Base Salary plus the Severance Incentive.

(c) Each of the Executive's stock options granted under the Long Term Incentive Plan (the "LTIP"), any successor plan or otherwise that is exercisable on the Termination Date shall remain exercisable until the applicable option expiration date.

(d) On the Termination Date (1) the Executive shall become fully vested in, and may thereupon and until the applicable expiration date of such stock incentive awards exercise in whole or in part, any and all stock incentive awards granted to the Executive under the LTIP, any successor plan or otherwise which have not become exercisable as the Termination Date, and (2) the Executive shall become fully vested at the target level in any cash incentive awards granted under the LTIP, a successor plan or otherwise which have not, as of the Termination Date, become fully vested.

(e) All forfeiture conditions that as of the Termination Date are applicable to any deferred stock unit, restricted stock or restricted share units awarded to the Executive by the Company pursuant to the LTIP, a successor plan or otherwise shall lapse immediately.

(f) During the Severance Period (or until such later date as any Welfare Plan of the Company may specify), the Company shall continue to provide to the Executive and the Executive's family welfare benefits (including, without limitation, medical, prescription, dental, disability, individual life and group life insurance benefits) which are at least as favorable as those provided under the most favorable Welfare Plans of the Company applicable (i) with respect to the Executive and his family during the 90-day period immediately preceding the

Termination Date, or (ii) with respect to other peer executives and their families during the Severance Period. In determining benefits under such Welfare Plans, the Executive's annual compensation attributable to base salary and incentives for any plan year or calendar year, as applicable, shall be deemed to be not less than the Executive's Annual Base Salary and Annual Incentive. The cost of the welfare benefits provided under this Section 5.1(f) shall not exceed the cost of such benefits to the Executive immediately before the Termination Date or, if less, the Effective Date. Notwithstanding the foregoing, if the Executive obtains comparable coverage under any Welfare Plans sponsored by another employer, then the amount of coverage required to be provided by the Company hereunder shall be reduced by the amount of coverage provided by such other employer's Welfare Plans. The Executive's rights under this Section shall be in addition to and not in lieu of any post-termination continuation coverage or conversion rights the Executive may have pursuant to applicable law, including, without limitation, continuation coverage required by Section 4980B of the Code. Notwithstanding the preceding, if the Executive has, as of the last day of the Severance Period, attained age 50 and completed at least 10 years of service, the Executive shall be entitled to the retiree benefits provided under any Welfare Plan of the Company. For purposes of determining eligibility for (but not the time of commencement of) such retiree benefits, the Executive shall also be considered (i) to have remained employed until the last day of the Severance Period and to have retired on the last day of such period, and (ii) to have attained at least the age the Executive would have attained on the last day of the Severance Period.

(g) The amount payable under Section 5.1(b) of this Agreement shall be taken into account for purposes of determining the amount of benefits to which the Executive is entitled under the SERP; provided that such amount shall be taken into account as though it was earned equally over the Severance Period, and further provided that the Executive shall be deemed to have attained the age he or she would have attained as of the last day of the Severance Period, and completed the number of years of service he or she would have completed as of the last day of the Severance Period.

(h) The Company shall, at its sole expense, as incurred, pay on behalf of Executive all fees and costs charged by a nationally recognized outplacement firm selected by the Executive to provide outplacement service.

5.2 If by the Company for Cause. If the Company terminates the Executive's employment for Cause during the Employment Period, this Agreement shall terminate without further obligation by the Company to the Executive, other than the obligation immediately to pay the Executive in cash the Executive's Annual Base Salary through the Termination Date, plus any accrued paid time off, in each case to the extent not previously paid.

5.3 If by the Executive Other Than for Good Reason. If the Executive terminates employment during the Employment Period other than for Good Reason, Disability or death, this Agreement shall terminate without further obligation by the Company, other than the obligation immediately to pay the Executive in

cash the Executive's Annual Base Salary through the Termination Date, plus any accrued paid time off, in each case to the extent not previously paid.

5.4 If by the Company for Disability. If the Company terminates the Executive's employment by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligation to the Executive, other than:

(a) The Company's obligation immediately to pay the Executive in cash all amounts specified in clauses (i), (ii) and (iii) of Section 5.1(a), in each case, to the extent unpaid as of the Termination Date (such amounts collectively, the "Accrued Obligations"), and

(b) The Executive's right after the Disability Effective Date to receive disability and other benefits at least equal to the greater of (1) those provided under the most favorable disability Plans applicable to disabled peer executives of the Company in effect immediately before the Termination Date, or (2) those provided under the most favorable disability Plans of the Company in effect at any time during the 90-day period immediately before the Effective Date.

5.5 If Upon Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligation to the Executive's legal representatives under this Agreement, other than the obligation immediately to pay the Executive's estate or beneficiary in cash all Accrued Obligations. Notwithstanding anything in this Agreement to the contrary, the Executive's family shall be entitled to receive benefits at least equal to the most favorable benefits provided under Plans of the Company to the surviving families of peer executives of the Company, including retiree coverage under any Welfare Plan of the Company which provides such coverage without regard to whether the Executive had satisfied the eligibility requirements for such benefits as of the date of his or her death, but in no event shall such Plans provide benefits which in each case are less favorable, in the aggregate, than the most favorable of those provided by the Company to the Executive under such Plans in effect at any time during the 90-day period immediately before the Effective Date.

ARTICLE VI
CERTAIN ADDITIONAL PAYMENTS BY THE COMPANY

6.1 Gross-up for Certain Taxes.

(a) If it is determined by the Company's independent auditors that any benefit received or deemed received by the Executive from the Company pursuant to this Agreement or otherwise, whether or not in connection with a Change in Control (such monetary or other benefits collectively, the "Potential Parachute Payments") is or will become subject to any excise tax under Section 4999 of the Code or any similar tax payable under any United States federal, state, local or other law (such excise tax and all such similar taxes collectively, "Excise Taxes"), then the Company shall, subject to Sections 6.6 and 6.7, within five business days after such determination, pay the Executive an amount (the "Gross-up Payment") equal to the product of:

(i) the amount of such Excise Taxes multiplied by

(ii) the Gross-up Multiple (as defined in Section 6.4).

The Gross-up Payment is intended to compensate the Executive for all Excise Taxes payable by the Executive with respect to the Potential Parachute Payments and any federal, state, local or other income, employment or other taxes or Excise Taxes payable by the Executive with respect to the Gross-up Payment.

(b) The determination of the Company's independent auditors described in Section 6.1(a), including the detailed calculations of the amounts of the Potential Parachute Payments, Excise Taxes and Gross-Up Payment and the assumptions relating thereto, shall be set forth in a written certificate of such auditors (the "Company Certificate") delivered to the Executive. The Executive or the Company may at any time request the preparation and delivery to the Executive of a Company Certificate. The Company shall cause the Company Certificate to be delivered to the Executive as soon as reasonably possible after such request.

6.2 Determination by the Executive.

(a) If (i) the Company shall fail to deliver a Company Certificate to the Executive within 30 days after its receipt of his written request therefor, or (ii) at any time after the Executive's receipt of a Company Certificate, the Executive disputes either (x) the amount of the Gross-Up Payment set forth therein, or (y) the determination set forth therein to the effect that no Gross-Up Payment is due (whether by reason of Section 6.7 or otherwise), then the Executive may elect to require the Company to pay a Gross-Up Payment in the amount determined by the Executive as set forth in an Executive Counsel Opinion (as defined in Section 6.5). Any such demand by the Executive shall be made by delivery to the Company of a written notice which specifies the Gross-Up Payment determined by the Executive (together with the detailed calculations of the amounts of Potential Parachute Payments, Excise Taxes and Gross-Up Payment and the assumptions relating thereto) and an Executive Counsel Opinion regarding

such Gross-Up Payment (such written notice and opinion collectively, the "Executive's Determination"). Within 30 days after delivery of an Executive's Determination to the Company, the Company shall either (i) pay the Executive the Gross-Up Payment set forth in Executive's Determination (less the portion thereof, if any, previously paid to Executive by the Company) or (ii) deliver to the Executive a Company Certificate and a Company Counsel Opinion (as defined in Section 6.5), and pay the Executive the Gross-Up Payment specified in such Company Certificate. If for any reason the Company fails to comply with the preceding sentence, the Gross-Up Payment specified in the Executive's Determination shall be controlling for all purposes.

(b) If the Executive does not request a Company Certificate, and the Company does not deliver a Company Certificate to the Executive, then (i) the Company shall, for purposes of Section 6.7, be deemed to have determined that no Gross-Up Payment is due and (ii) the Executive shall not pay any Excise Taxes in respect of Potential Parachute Payments, except in accordance with Sections 6.6(a) or (d).

6.3 Additional Gross-up Amounts. If for any reason it is later determined (whether pursuant to the subsequently-enacted provisions of the Code, final regulations or published rulings of the IRS, a final judgment of a court of competent jurisdiction, a determination of the Company's independent auditors set forth in a Company Certificate or, subject to the last two sentences of Section 6.2(a), an Executive's Determination) that the amount of Excise Taxes payable by the Executive is greater than the amount determined by the Company or the Executive pursuant to Section 6.1 or 6.2, as applicable, then the Company shall, subject to Sections 6.6 and 6.7, pay the Executive an amount (which shall also be deemed a Gross-up Payment) equal to the product of:

(a) The sum of (1) such additional Excise Taxes and (2) any interest, fines, penalties, expenses or other costs incurred by the Executive as a result of having taken a position in accordance with a determination made pursuant to Section 6.1 or 6.2, as applicable, multiplied by

(b) The Gross-up Multiple.

6.4 Gross-up Multiple. The Gross-up Multiple shall equal a fraction, the numerator of which is one (1.0), and the denominator of which is one (1.0) minus the lesser of (i) the sum, expressed as a decimal fraction, of the effective after-tax marginal rates of all federal, state, local and other income, employment and other taxes and any Excise Taxes applicable to the Gross-up Payment; or (ii) 0.80, it being intended that the Gross-up Multiple shall in no event exceed five (5.0). (If different rates of tax are applicable to various portions of a Gross-up Payment, the weighted average of such rates shall be used.)

6.5 Opinion of Counsel. "Executive Counsel Opinion" means an opinion of nationally-recognized executive compensation counsel to the effect (i) that the amount of the Gross-Up Payment determined by the Executive pursuant to Section 6.2 is the amount that a court of competent jurisdiction, based on a final judgment not subject to further appeal, is most likely to decide to have been

calculated in accordance with this Article and applicable law and (ii) if the Company has previously delivered a Company Certificate to the Executive, that there is no reasonable basis or no substantial authority for the calculation of the Gross-Up Payment set forth in the Company Certificate. "Company Counsel Opinion" means an opinion of nationally-recognized executive compensation counsel to the effect that (i) the amount of the Gross-Up Payment set forth in the Company Certificate is the amount that a court of competent jurisdiction, based on a final judgment not subject to further appeal, is more likely to decide to have been calculated in accordance with this Article and applicable law and (ii) for purposes of Section 6662 of the Code, the Executive has substantial authority to report on his federal income tax return the amount of Excise Taxes set forth in the Company Certificate.

6.6 Amount Increased or Contested.

(a) The Executive shall notify the Company in writing (an "Executive's Notice") of any claim by the IRS or other taxing authority (an "IRS Claim") that, if successful, would require the payment by the Executive of Excise Taxes in respect of Potential Parachute Payments in an amount in excess of the amount of such Excise Taxes determined in accordance with Section 6.1 or 6.2, as applicable. Such Executive's Notice shall include the nature and amount of such IRS Claim, the date on which such IRS Claim is due to be paid (the "IRS Claim Deadline"), and a copy of all notices and other documents or correspondence received by the Executive in respect of such IRS Claim. The Executive shall give the Executive's Notice as soon as practicable, but no later than the earlier of (i) 10 business days after the Executive first obtains actual knowledge of such IRS Claim or (ii) five business days after the IRS Claim Deadline; provided, however, that the Executive's failure to give such notice shall affect the Company's obligations under this Article only to the extent that the Company is actually prejudiced by such failure. If at least one business day before the IRS Claim Deadline the Company shall:

(i) deliver to the Executive a Company Certificate to the effect that the IRS Claim has been reviewed by the Company's independent auditors and, notwithstanding the IRS Claim, the amount of Excise Taxes, interest and penalties payable by the Executive is either zero or an amount less than the amount specified in the IRS Claim,

(ii) pay to the Executive an amount (which shall also be deemed a Gross-Up Payment) equal to the positive difference between (x) the product of the amount of Excise Taxes, interest and penalties specified in the Company Certificate, if any, multiplied by the Gross-Up Multiple, and (y) the portion of such product, if any, previously paid to Executive by the Company, and

(iii) direct the Executive pursuant to Section 6.6(d) to contest the balance of the IRS Claim, then the Executive shall pay only the amount, if any, of Excise Taxes, interest and penalties specified in the Company

Certificate. In no event shall the Executive pay an IRS Claim earlier than 30 days after having given an Executive's Notice to the Company (or, if sooner, the IRS Claim Deadline).

(b) At any time after the payment by the Executive of any amount of Excise Taxes or related interest or penalties in respect of Potential Parachute Payments (whether or not such amount was based upon a Company Certificate or an Executive's Determination), the Company may in its discretion require the Executive to pursue a claim for a refund (a "Refund Claim") of all or any portion of such Excise Taxes, interest or penalties as the Company may specify by written notice to the Executive.

(c) If the Company notifies the Executive in writing that the Company desires the Executive to contest an IRS Claim or to pursue a Refund Claim the Executive shall:

(i) give the Company all information that it reasonably requests in writing from time to time relating to such IRS Claim or Refund Claim, as applicable,

(ii) take such action in connection with such IRS Claim or Refund Claim (as applicable) as the Company reasonably requests in writing from time to time, including accepting legal representation with respect thereto by an attorney selected by the Company, subject to the approval of the Executive (which approval shall not be unreasonably withheld or delayed),

(iii) cooperate with the Company in good faith to contest such IRS Claim or pursue such Refund Claim, as applicable,

(iv) permit the Company to participate in any proceedings relating to such IRS Claim or Refund Claim, as applicable, and

(v) contest such IRS Claim or prosecute such Refund Claim (as applicable) to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company may from time to time determine in its discretion.

The Company shall control all proceedings in connection with such IRS Claim or Refund Claim (as applicable) and in its discretion may cause the Executive to pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the IRS or other taxing authority in respect of such IRS Claim or Refund Claim (as applicable); provided that (i) any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive relating to the IRS Claim is limited solely to such IRS Claim, (ii) the Company's control of the IRS Claim or Refund Claim (as applicable) shall be limited to issues with respect to which a Gross-Up Payment would be payable, and (iii) the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the IRS or other taxing authority.

(d) The Company may at any time in its discretion direct the Executive to (i) contest the IRS Claim in any lawful manner or (ii) pay the amount specified in an IRS Claim and pursue a Refund Claim; provided, however, that if the Company directs the Executive to pay an IRS Claim and pursue a Refund Claim,

the Company shall advance the amount of such payment to the Executive on an interest-free basis and shall indemnify the Executive, on an after-tax basis, for any income or other applicable taxes or Excise Tax, and any related interest or penalties imposed with respect to such advance.

(e) The Company shall pay directly all legal, accounting and other costs and expenses (including additional interest and penalties) incurred by the Company or the Executive in connection with any IRS Claim or Refund Claim, as applicable, and shall indemnify the Executive, on an after-tax basis, for any income or other applicable taxes, Excise Tax and related interest and penalties imposed on the Executive as a result of such payment of costs and expenses.

6.7 Limitation on Gross-up Payments.

(a) Notwithstanding any other provision of this Article VI, if the aggregate After-Tax Amount (as defined below) of the Potential Parachute Payments and Gross-up Payments that, but for this Section 6.7 would be payable to the Executive, does not exceed 110% of the After-Tax Floor Amount (as defined below), then no Gross-up Payment shall be made to the Executive, and the aggregate amount of Potential Parachute Payments payable to the Executive shall be reduced (but not below the Floor Amount) to the largest amount which would both (i) not cause any Excise Taxes to be payable by Executive and (ii) not cause any Potential Parachute Payments to become nondeductible by the Company by reason of Section 280G of the Code (or any successor provision). For purposes of the preceding sentence, the Executive shall be deemed to be subject to the highest effective after-tax marginal rate of federal and state taxes.

(b) For purposes of this Section:

(i) "After-Tax Amount" means the portion of a specified amount that would remain after payment of all federal, state and local income or other taxes and Excise Taxes paid or payable by Executive in respect of such specified amount;

(ii) "Floor Amount" means the greatest pre-tax amount of Potential Parachute Payments that could be paid to Executive without causing him to become liable for any Excise Taxes in connection therewith; and

(iii) "After-Tax Floor Amount" means the After-Tax Amount of the Floor Amount.

6.8 Refunds. If, after the receipt by the Executive of any payment or advance of Excise Taxes advanced by the Company pursuant to Section 6.6, the Executive receives any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 6.6) promptly pay the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 6.6, a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in

writing of its intent to contest such determination within 30 days after the Company receives written notice of such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-up Payment required to be paid. Any contest of a denial of refund shall be controlled by Section 6.6.

ARTICLE VII
EXPENSES AND INTEREST

7.1 Legal Fees and Other Expenses.

(a) If the Executive incurs legal fees or other expenses in an effort to secure, preserve, establish entitlement to, or obtain benefits under this Agreement (including, without limitation, the fees and other expenses of the Executive's legal counsel in connection with the delivery of the Executive Counsel Opinion referred to in Section 6.5), the Company shall, regardless of the outcome of such effort, promptly reimburse the Executive on a current basis for such fees and expenses following the Executive's written submission of a request for reimbursement together with evidence that such fees and expenses were incurred.

(b) If the Executive does not prevail (after exhaustion of all available judicial remedies) in respect of a claim by the Executive or by the Company hereunder, and the Company establishes before a court of competent jurisdiction, by clear and convincing evidence, that the Executive had no reasonable basis for his claim hereunder, or for his response to the Company's claim hereunder, and acted in bad faith, no further reimbursement for legal fees and expenses shall be due to the Executive in respect of such claim and the Executive shall refund any amounts previously reimbursed hereunder with respect to such claim.

7.2 Interest. If the Company does not pay any amount due to the Executive under this Agreement within three days after such amount became due and owing, interest shall accrue on such amount from the date it became due and owing until the date of payment at an annual rate equal to 200 basis points above the base commercial lending rate published in The Wall Street Journal in effect from time to time during the period of such nonpayment.

ARTICLE VIII
NO ADVERSE EFFECT ON POOLING OF INTERESTS

Any benefits provided to the Executive under this Agreement may be reduced or eliminated to the extent necessary, in the reasonable judgment of the Board, to enable the Company to account for a merger, consolidation or similar transaction as a pooling of interests; provided that (i) the Board shall have exercised such judgment and given the Executive written notice thereof prior to the Effective Date and (ii) the determination of the Board shall be supported by a written

certificate of the Company's independent auditors, a copy of which shall be provided to the Executive before the Effective Date.

ARTICLE IX
NO SET-OFF OR MITIGATION

9.1 No Set-off by Company. The Executive's right to receive when due the payments and other benefits provided for under this Agreement is absolute, unconditional and subject to no set-off, counterclaim or legal or equitable defense. Any claim which the Company may have against the Executive, whether for a breach of this Agreement or otherwise, shall be brought in a separate action or proceeding and not as part of any action or proceeding brought by the Executive to enforce any rights against the Company under this Agreement.

9.2 No Mitigation. The Executive shall not have any duty to mitigate the amounts payable by the Company under this Agreement by seeking new employment following termination. Except as specifically otherwise provided in this Agreement, all amounts payable pursuant to this Agreement shall be paid without reduction regardless of any amounts of salary, compensation or other amounts which may be paid or payable to the Executive as the result of the Executive's employment by another employer.

ARTICLE X
NON-EXCLUSIVITY OF RIGHTS

10.1 Waiver of Other Severance Rights. To the extent that payments are made to the Executive pursuant to Section 5.1 of this Agreement, the Executive hereby waives the right to receive benefits under the terms of any severance plan or agreement (including an offer of employment or employment contract) of the Company or its subsidiaries which provides for severance benefits.

10.2 Other Rights. Except as provided in Section 9.1, this Agreement shall not prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive, or other plans provided by the Company and for which the Executive may qualify, nor shall this Agreement limit or otherwise affect such rights as the Executive may have under any other agreements with the Company. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan of the Company and any other payment or benefit required by law at or after the Termination Date shall be payable in accordance with such Plan or applicable law except as expressly modified by this Agreement.

ARTICLE XI
CONFIDENTIALITY

11.1 Confidential Information. Executive acknowledges that during his employment with Company he became entrusted with, had access to, or gained possession of confidential information, data, documents, records, materials, and

other trade secrets and/or proprietary business information or materials not known to competitors and outside third parties including without limitation: (a) information about clients, customers, and suppliers, and prospective clients, customers, and suppliers; (b) purchasing, pricing and profit information, and financial data; (c) sales and marketing strategies, plans, data and materials; (d) new and existing product and service development information; (e) business methods, practices or procedures; (f) computer programs, software development, and special hardware; (g) employee compensation and benefits plans; and (h) strategic business plans including reorganization, acquisition and merger strategies (collectively "Confidential Information").

11.2 Property of Company. Executive recognizes that all such Confidential Information is the sole and exclusive property of the Company and that protection of this Confidential Information is essential to the protection of Company's goodwill and competitive position. Executive agrees that, except as required by the duties of his employment with the Company and except in connection with enforcing the Executive's rights under this Agreement or if compelled by a court or governmental agency, he will not, without the consent of the Company, disseminate or otherwise disclose any Confidential Information obtained during his employment with the Company for so long as such information is valuable and unique. Employee, therefore, agrees to hold all Confidential Information in the strictest confidence. Employee will not disclose, divulge or reveal to, or permit any Confidential Information to be disclosed, divulged or revealed to, any third party, including without limitation, any competitor of Company.

11.3 Remedy. Executive and the Company specifically agree that, in the event that Executive shall breach the obligations under this Article XI, the Company will suffer irreparable injury and shall be entitled to injunctive relief therefor, and shall not be precluded from pursuing any and all remedies it may have at law or in equity for breach of such obligations; provided, however, that such breach shall not in any manner or degree whatsoever limit, reduce or otherwise affect the obligations of the Company under this Agreement, and in no event shall an asserted breach of the Executive's obligations under this Article XI constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

ARTICLE XII
NON-COMPETE

12. Executive agrees, in consideration for the benefits outlined in this Agreement, that for a period of twenty-four (24) months, which begins to run as of the Termination Date, Executive will not:

(a) directly or indirectly, own, advise, manage, operate, join, control, receive compensation or benefits from, or participate in the ownership, management, operation, or control of, or be employed or be otherwise

connected in any manner with, any existing or proposed entity which competes with Company in the same or similar geographical markets serviced by Company and provides the same or similar services Executive performed and/or products he marketed, developed and/or otherwise participated in selling, while employed at Company;

(b) directly or indirectly, solicit business from, conduct business with, or initiate any contact or communication with any Company customer whom he served or whose identity he learned during his employment with Company.

(c) directly or indirectly, employ, solicit for hire, attempt to entice away from Company, recommend for employment outside of Company, or otherwise induce any employee(s) of Company to terminate his/her/their employment with Company at any time during which this Agreement is in effect.

ARTICLE XIII
MISCELLANEOUS

13.1 No Assignability. This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

13.2 Successors. Before or upon the consummation of any Change in Control, the Company shall obtain from each individual, group or entity that becomes a successor to the Company by reason of the Change in Control, the unconditional written agreement of such individual, group or entity to assume this Agreement and to perform all of the obligations of the Company hereunder.

13.3 Payments to Beneficiary. If the Executive dies before receiving amounts to which the Executive is entitled to under this Agreement, such amounts shall be paid in a lump sum to the beneficiary designated in writing by the Executive, or if none is so designated, to the Executive's estate.

13.4 Nonalienation of Benefits. Benefits payable under this Agreement shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, before actually being received by the Executive, and any such attempt to dispose of any right to benefits payable under this Agreement shall be void.

13.5 Severability. If any one or more articles, sections or other portions of this Agreement are declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any article, section or other portion not so declared to be unlawful or invalid. Any article, section or other portion so declared to be unlawful or invalid shall be construed so as to effectuate the terms of such article, section or other portion to the fullest extent possible while remaining lawful and valid.

13.6 Arbitration. Any and all disputes between the parties hereto arising out of this Agreement (other than disputes related to Article VI or to an alleged breach of the covenant contained in Article XI) shall be settled by

arbitration before an impartial arbitrator pursuant to the rules and regulations of the American Arbitration Association (AAA) pertaining to the arbitration of labor disputes. Either party may invoke the right to arbitration. The arbitrator shall be selected by means of the parties striking alternatively from a panel of seven arbitrators supplied by the Philadelphia office of AAA. The arbitrator shall have the authority to interpret and apply the provisions of this Agreement, consistent with Section 13.10 below. The decision of the arbitrator shall be final and binding upon the parties. Judgment may be entered on the award in any court of competent jurisdiction.

13.7 Amendments. This Agreement shall not be altered, amended or modified except by written instrument executed by the Company and the Executive.

13.8 Notices. All notices and other communications under this Agreement shall be in writing and delivered by hand or by first-class registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:	If to the Company:
_____	PECO Energy Company
_____	Attn: General Counsel
_____	2301 Market Street
_____	Philadelphia, PA 19101

or to such other address as either party shall have furnished to the other in writing. Notice and communications shall be effective when actually received by the addressee.

13.9 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument.

13.10 Governing Law. This Agreement is intended to be a plan subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended, and shall be interpreted and construed in accordance with the terms thereof; provided, however, that to the extent not preempted thereby, this Agreement is intended to be interpreted and construed in accordance with the laws of the State of Pennsylvania.

13.11 Captions. The captions of this Agreement are not a part of the provisions hereof and shall have no force or effect.

13.12 Tax Withholding. The Company may withhold from any amounts payable under this Agreement any federal, state or local taxes that are required to be withheld pursuant to any applicable law or regulation.

13.13 No Waiver. A waiver of any provision of this Agreement shall not be deemed a waiver of any other provision, and any waiver of any default in any

such provision shall not be deemed a waiver of any later default thereof or of any other provision.

13.14 Entire Agreement. This Agreement contains the entire understanding of the Company and the Executive with respect to its subject matter.

IN WITNESS WHEREOF, the Executive and the Company have executed this Agreement as of the date first above written.

- ---------- ----------
CORPORATE SECRETARY EXECUTIVE

CHAIRMAN, COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

WILLIAM H. SMITH, III
Sr. Vice President, Business Services Group

CHANGE IN CONTROL AGREEMENT
FOR VICE PRESIDENTS OF PECO ENERGY COMPANY

THIS AGREEMENT dated _____, 1999 (the "Agreement Date") is made by and among PECO Energy Company, a Pennsylvania corporation, and its subsidiaries, affiliated corporate entities, successors and assigns which may exist from time to time including without limitation any company into or with which PECO Energy Company may merge or consolidate (hereinafter referred to as the "Company"), and _____ (the "Officer") as a Vice President of the Company.

ARTICLE I
PURPOSES

The Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued services of the Officer, despite the possibility

or occurrence of a Change in Control of the Company. The Board believes it is imperative to reduce the distraction of the Officer that would result from the personal uncertainties caused by a pending or threatened Change in Control, to encourage the Officer's full attention and dedication to the Company, and to provide the Officer with compensation and benefits arrangements upon a Change in Control which are competitive with those of similarly-situated corporations. This Agreement is intended to accomplish these objectives.

ARTICLE II
CERTAIN DEFINITIONS

When used in this Agreement, the terms specified below shall have the following meanings:

2.1 "Agreement Term" means the period commencing on the Agreement Date and ending on the second anniversary of the Agreement Date; provided, however, that commencing on the first anniversary of the Agreement Date, the Agreement Term shall be automatically extended each day by one day to create a new two-year term, unless at least 60 days prior to the last day of any such extended Agreement Term, the Company shall give notice to the Officer that the Agreement Term shall not be so extended. The Agreement Term shall include the Employment Period and the Severance Period (each as defined below).

2.2 "Effective Date" means the first date during the Agreement Term on which a Change in Control occurs. Anything in this Agreement to the contrary notwithstanding, if a Change in Control occurs and the Officer's employment with the Company is terminated prior to the date on which the Change in Control occurs, and if it is reasonably demonstrated by the Officer that such termination of employment (a) was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control, or (b) otherwise arose in connection with or in anticipation of a Change in Control, then for all purposes of this Agreement, the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

2.3 "Change in Control" means:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock"), or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from the Company); (B) any acquisition by the Company; (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company (a "Company Plan"); or (D) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this definition; provided further, that for purposes of clause (B), if any Person (other than the Company or any Company Plan) shall become the beneficial owner of 20% or more of the Outstanding Company Common Stock or 20% or more of the Outstanding Company Voting Securities by reason of an acquisition by the Company, and such Person shall, after such acquisition by the Company, become the beneficial owner of any additional shares of the Outstanding Company Common Stock or any additional Outstanding Company Voting Securities (other than pursuant to any dividend reinvestment plan or arrangement maintained by the Company) and such beneficial ownership is publicly announced, such additional beneficial ownership shall constitute a Change in Control; or

(b) Individuals who, as of the date hereof, constitute the Board of Directors of the Company (for purposes of this Section 2.3, the "Incumbent Board") cease for any reason to constitute at least a majority of the Incumbent Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest (as such terms are used in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Approval by the shareholders of the Company of a reorganization, merger or consolidation, or the sale or other disposition of more than 50% of the operating assets of the Company (determined on a consolidated basis), other than in connection with a sale-leaseback or other arrangement resulting in the continued utilization of such assets (or the operating products of such assets)

by the Company (such sale or other disposition, a "Corporate Transaction"); excluding, however, a Corporate Transaction pursuant to which:

(i) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than 60% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which, as a result of such transaction, owns the Company or all or substantially all of the assets of the Company either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be;

(ii) no Person (other than the Company, any Company Plan or related trust of the Company, the corporation resulting from such Corporate Transaction, and any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 20% or more of the Outstanding Company Common Stock or the Outstanding Company Voting Securities, as the case may be) will beneficially own, directly or indirectly, 20% or more of, respectively, the then-outstanding common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation; and

(iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(d) Approval by the shareholders of the Company of a plan of complete liquidation or dissolution of the Company, other than a plan of liquidation or dissolution which results in the acquisition of all or substantially all of the assets of the Company or an affiliated company.

(e) Notwithstanding the foregoing, the consummation of the merger (as such term is defined in the Agreement and Plan of Exchange and Merger dated as of September 22, 1999) among the Company, New Holdco, a Pennsylvania corporation and a wholly owned subsidiary of the Company, and Unicom Corporation, an Illinois Corporation, shall constitute a change in control for purposes of this Agreement.

2.4 "Code" means the Internal Revenue Code of 1986, as amended.

2.5 "Employment Period" means the period commencing on the Effective Date and ending on the second anniversary of such date.

2.6 "Incentive Plan" See Section 3.2(b).

2.7 "Notice of Termination" means a written notice given in accordance with Section 12.8 which sets forth (a) the specific termination provision in this Agreement relied upon by the party giving such notice, (b) in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Officer's employment under such termination provision, and (c) if the Termination Date is other than the date of receipt of such Notice of Termination, the Termination Date.

2.8 "Plans" See Section 3.2(c).

2.9 "Severance Incentive" means the greater of (i) the target annual incentive under an Incentive Plan applicable to the Officer for the Performance Period in which the Termination Date occurs, or (ii) the average of the actual annual incentives paid (or payable, to the extent not previously paid) to the Officer under the Incentive Plan for each of the two calendar years preceding the calendar year in which the Termination Date occurs.

2.10 "Severance Period" means the period beginning on the Officer's Termination Date and ending on the second anniversary thereof.

2.11 "Termination Date" means the date of termination of the Officer's employment; provided, however, that (a) if the Company terminates the Officer's employment other than for Cause or Disability (as defined in Section 4.1(b)), then the Termination Date shall be the date of receipt of the Notice of Termination and (b) if the Officer's employment is terminated by reason of death or Disability, then the Termination Date shall be the date of death of the Officer of the Disability Effective Date (as defined in Section 4.1(a)), as the case may be.

2.12 "Welfare Plans" See Section 3.2(d).

ARTICLE III
TERMS OF EMPLOYMENT

3.1 Position and Duties.

(a) The Company hereby agrees to continue the Officer in its employ during the Employment Period, and subject to Article IV of this Agreement, the Officer agrees to remain in the employ of the Company subject to the terms and conditions hereof. During the Employment Period: (i) the Officer's position (including status, offices, titles and reporting requirements), authority, duties, and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned to the Officer at any time during the 90-day period immediately preceding the Effective Date, and (ii) the Officer's services shall be performed at the location where the Officer was employed immediately preceding the Effective Date or any office or location less than 50 miles from such location.

(b) During the Employment Period, and excluding any periods of vacation and sick leave to which the Officer is entitled, the Officer agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Officer hereunder, to use the Officer's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Officer (i) to serve on corporate, civic or charitable boards or committees, (ii) to deliver lectures, fulfill speaking engagements or teach at educational institutions and (iii) to manage personal investments, so long as such activities do not significantly interfere with the performance of the Officer's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Officer prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Officer's responsibilities to the Company.

3.2 Compensation.

(a) Base Salary. During the Employment Period, the Officer shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Officer by the Company in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Officer prior to the Effective Date and, thereafter shall be reviewed and increased at any time and from time to time as shall be substantially consistent with increases in base salary awarded to other peer Officers of the Company. Annual Base Salary shall not be reduced after any such increase unless such reduction is part of a policy, program or arrangement applicable to peer Officers of the Company and of any successor entity, and the term Annual Base Salary as used in this Agreement shall refer to Annual Base Salary as so increased. Any increase in Annual Base Salary shall not limit or reduce any other obligation of the Company to the Officer under this Agreement.

(b) Annual Incentive. In addition to Annual Base Salary, the Company shall pay or cause to be paid to the Officer an incentive award (the "Annual Incentive") for each Performance Period which ends during the Employment Period. "Performance Period" means each period of time designated in accordance with any annual incentive award arrangement ("Incentive Plan") which is based upon performance and approved by the Board or any committee of the Board, or in the absence of any Incentive Plan or any such designated period of time, Performance Period shall mean each calendar year. The Officer's target and maximum Annual Incentive with respect to any Performance Period shall not be less than the

target and maximum annual incentive award payable with respect to the Officer under the Company's annual incentive program as in effect immediately preceding the Effective Date.

(c) Incentive, Savings and Retirement Plans. During the Employment Period, the Officer shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs ("Plans") applicable generally to other peer Officers of the Company, but in no event shall such Plans provide the Officer with incentives (measured with respect to long-term and special incentives, to the extent, if any, that such distinctions are applicable) or savings and retirement benefits which, in each case, are less favorable, in the aggregate than the greater of (i) those provided by the Company for the Officer under such Plans as in effect at any time during the 90-day period immediately preceding the Effective Date, or (ii) those provided generally at any time after the Effective Date to other peer Officers of the Company.

(d) Welfare Benefit Plans. During the Employment Period, the Officer and/or the Officer's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs ("Welfare Plans") provided by the Company (including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance benefits), but in no event shall such Welfare Plans provide the Officer with benefits which are less favorable, in the aggregate, than the greater of (i) those provided by the Company for the Officer under such Welfare Plans as were in effect at any time during the 90-day period immediately preceding the Effective Date, or (ii) those provided generally at any time after the Effective Date to other peer Officers of the Company.

(e) Other Employee Benefits. During the Employment Period, the Officer shall be entitled to other employee benefits and perquisites in accordance with the most favorable plans, practices, programs and policies of the Company, as in effect with respect to the Officer at any time during the 90-day period immediately preceding the Effective Date, or if more favorable, as in effect generally with respect to other peer Officers of the Company.

(f) Expenses. During the Employment Period, the Officer shall be entitled to receive prompt reimbursements for all reasonable expenses incurred by the Officer in accordance with the policies, practices and procedures of the Company as in effect with respect to the Officer at any time during the 90-day period immediately preceding the Effective Date, or if more favorable, as in effect generally with respect to other peer Officers of the Company.

(g) Office and Support Staff. During the Employment Period, the Officer shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, as in effect with respect to the Officer at any time during the 90-day period

immediately preceding the Effective Date, or if more favorable, as provided generally with respect to other peer Officers of the Company.

(h) Paid Time Off. During the Employment Period, the Officer shall be entitled to paid time off in accordance with the plans, policies, programs and practices of the Company as in effect with respect to the Officer at any time during the 90-day period immediately preceding the Effective Date, or if more favorable, as provided generally with respect to other peer Officers of the Company.

(i) Subsidiaries. To the extent that immediately prior to the Effective Date, the Officer has been on the payroll of, and participated in the incentive or employee benefit plans of, a subsidiary of the Company, the references to the Company contained in Sections 3.2(a) through 3.2(h) and the other Sections of this Agreement referring to benefits to which the Officer may be entitled shall be read to refer to such subsidiary.

ARTICLE IV
TERMINATION OF EMPLOYMENT

4.1 Disability.

(a) During the Agreement Term, the Company may terminate the Officer's employment upon the Officer's Disability (as defined in Section 4.1(b)) by giving the Officer or his legal representative, as applicable, (1) written notice in accordance with Section 12.8 of the Company's intention to terminate the Officer's employment pursuant to this Section, and (2) a certification of the Officer's Disability by a physician selected by the Company or its insurers and reasonably acceptable to the Officer or the Officer's legal representative. The Officer's employment shall terminate effective on the 30th day (the "Disability Effective Date") after the Officer's receipt of such notice unless, before the Disability Effective Date, the Officer shall have resumed the full-time performance of the Officer's duties.

(b) "Disability" means any medically determinable physical or mental impairment that has lasted for a continuous period of not less than six months and can be expected to be permanent or of indefinite duration, and which renders the Officer unable to perform the duties required under this Agreement.

4.2 Death. The Officer's employment shall terminate automatically upon the Officer's death during the Agreement Term.

4.3 Cause. The Company may terminate the Officer's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" means:

(a) The Officer's willful commission of acts or omissions which have, have had, or are likely to have, a material adverse effect on the business, operations, financial condition or reputation of the Company;

(b) The Officer's conviction (including a plea of guilty or nolo contendere) of a felony or any crime of fraud, theft, dishonesty, or moral turpitude; or

(c) The Officer's material violation of any statutory or common law duty of loyalty to the Company.

For purposes of this Agreement, no act, or failure to act, on the part of the Officer shall be considered "willful" unless it is done, or omitted to be done, by the Officer in bad faith or without reasonable belief that the Officer's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Officer Officer or a senior officer of the Company, or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Officer in good faith and in the best interests of the Company. The cessation of employment of the Officer shall not be deemed to be for Cause unless and until there shall have been delivered to the Officer a copy of a resolution duly adopted by the affirmative vote of not less than 60% of the entire membership of the Board at a meeting of such Board called and held for such purpose (after reasonable notice is provided to the Officer and the Officer is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Officer is guilty of the conduct described in paragraph (a) or (c) above, and specifying the particulars thereof in detail.

4.4 Good Reason. During the Employment Period, the Officer's employment may be terminated by the Officer for Good Reason. For purposes of this Agreement, "Good Reason" means any material breach of this Agreement by the Company, including:

(a) The failure to maintain the Officer in the office or position, or in a substantially equivalent office or position, held by the Officer immediately prior to the Change in Control;

(b) A material adverse alteration in the nature or scope of the Officer's position, duties, functions, responsibilities or authority;

(c) A material reduction of the Officer's salary, incentive compensation or benefits, unless such reduction is part of a policy, program or arrangement applicable to peer Officers of the Company and of any successor entity;

(d) A determination by the Officer, made in good faith during the Agreement Term, that, as a result of the Change in Control, the Officer is substantially unable to perform, or that there has been a material reduction in, any of the Officer's duties, functions, responsibilities or authority;

(e) The failure of any successor to the Company to assume this Agreement, or a material breach of the Agreement by the Company or its successor;

(f) A relocation of more than 50 miles of (i) the Officer's workplace, or (ii) the principal offices of the Company (if such offices are the Officer's workplace), in each case without the consent of the Officer;

(g) A requirement of at least 20% more business travel than was required of the Officer prior to the Change in Control; or

(h) Any failure by the Company to comply with any of the provisions of Section 3.2 of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Officer; provided, however, that an act or omission shall not constitute a material breach of this Agreement by the Company:

(i) unless the Officer gives the Company 30 days' prior notice of such act or omission and the Company fails to cure such act or omission within the 30-day period;

(ii) if the Officer first acquired knowledge of such act or omission more than 12 months before the Officer gives the Company such notice; or

(iii) if the Officer has consented in writing to such act or omission in a document that makes specific reference to this Section.

ARTICLE V
OBLIGATIONS OF THE COMPANY UPON TERMINATION

5.1 If by the Officer for Good Reason or by the Company Other Than for Cause or Disability. If, during the Employment Period, the Company shall terminate the Officer's employment other than for Cause or Disability, or if the Officer shall terminate employment for Good Reason, the Company's obligations to the Officer shall be as follows:

(a) The Company shall, within five business days of such termination of employment, pay the Officer a cash payment equal to the sum of the following amounts:

(i) to the extent not previously paid, the Annual Base Salary and any accrued paid time off through the Termination Date;

(ii) an amount equal to the product of (1) the Annual Incentive (as defined in Section 3.2(b)) for the Performance Period in which the Termination Date occurs multiplied by (2) a fraction, the numerator of which is the number of days actually worked during such Performance Period, and the denominator of which is 365; or, if greater, the amount of any Annual Incentive paid or payable to the Officer with respect to the Performance Period for the year in which the Termination Date occurs; and,

(iii) all amounts previously deferred by or accrued to the benefit of the Officer under any nonqualified deferred compensation plan

sponsored by the Company, excluding the Supplemental Officer Retirement and Deferred Compensation Plan (the "SERP"), together with any accrued earnings thereon, and not yet paid by the Company.

(b) The Company shall pay the Officer, no later than the tenth day of each month for twenty four months following the Officer's Termination Date, an amount equal to the monthly pro-rata sum of the Officer's Annual Base Salary plus the Severance Incentive.

(c) Each of the Officer's stock options granted under the Long Term Incentive Plan (the "LTIP"), any successor plan or otherwise that is exercisable on the Termination Date shall remain exercisable until the applicable option expiration date.

(d) On the Termination Date (1) the Officer shall become fully vested in, and may thereupon and until the applicable expiration date of such stock incentive awards exercise in whole or in part, any and all stock incentive awards granted to the Officer under the LTIP, any successor plan or otherwise which have not become exercisable as the Termination Date, and (2) the Officer shall become fully vested at the target level in any cash incentive awards granted under the LTIP, a successor plan or otherwise which have not, as of the Termination Date, become fully vested.

(e) All forfeiture conditions that as of the Termination Date are applicable to any deferred stock unit, restricted stock or restricted share units awarded to the Officer by the Company pursuant to the LTIP, a successor plan or otherwise shall lapse immediately.

(f) During the Severance Period (or until such later date as any Welfare Plan of the Company may specify), the Company shall continue to provide to the Officer and the Officer's family welfare benefits (including, without limitation, medical, prescription, dental, disability, individual life and group life insurance benefits) which are at least as favorable as those provided under the most favorable Welfare Plans of the Company applicable (i) with respect to the Officer and his family during the 90-day period immediately preceding the Termination Date, or (ii) with respect to other peer Officers and their families during the Severance Period. In determining benefits under such Welfare Plans, the Officer's annual compensation attributable to base salary and incentives for any plan year or calendar year, as applicable, shall be deemed to be not less than the Officer's Annual Base Salary and Annual Incentive. The cost of the welfare benefits provided under this Section 5.1(f) shall not exceed the cost of such benefits to the Officer immediately before the Termination Date or, if less, the Effective Date. Notwithstanding the foregoing, if the Officer obtains comparable coverage under any Welfare Plans sponsored by another employer, then the amount of coverage required to be provided by the Company hereunder shall be reduced by the amount of coverage provided by such other employer's Welfare Plans. The Officer's rights under this Section shall be in addition to and not in lieu of any post-termination continuation coverage or conversion rights the Officer may have pursuant to applicable law, including, without limitation, continuation coverage required by Section 4980B of the Code. Notwithstanding the preceding, if the Officer has, as of the last day of the Severance Period, attained age 50 and completed at least 10 years of service, the Officer shall be

entitled to the retiree benefits provided under any Welfare Plan of the Company. For purposes of determining eligibility for (but not the time of commencement of) such retiree benefits, the Officer shall also be considered (i) to have remained employed until the last day of the Severance Period and to have retired on the last day of such period, and (ii) to have attained at least the age the Officer would have attained on the last day of the Severance Period.

(g) The amount payable under Section 5.1(b) of this Agreement shall be taken into account for purposes of determining the amount of benefits to which the Officer is entitled under the SERP; provided that such amount shall be taken into account as though it was earned equally over the Severance Period, and further provided that the Officer shall be deemed to have attained the age he or she would have attained as of the last day of the Severance Period, and completed the number of years of service he or she would have completed as of the last day of the Severance Period.

(h) The Company shall, at its sole expense, as incurred, pay on behalf of Officer all fees and costs charged by a nationally recognized outplacement firm selected by the Officer to provide outplacement service.

5.2 If by the Company for Cause. If the Company terminates the Officer's employment for Cause during the Employment Period, this Agreement shall terminate without further obligation by the Company to the Officer, other than the obligation immediately to pay the Officer in cash the Officer's Annual Base Salary through the Termination Date, plus any accrued paid time off, in each case to the extent not previously paid.

5.3 If by the Officer Other Than for Good Reason. If the Officer terminates employment during the Employment Period other than for Good Reason, Disability or death, this Agreement shall terminate without further obligation by the Company, other than the obligation immediately to pay the Officer in cash the Officer's Annual Base Salary through the Termination Date, plus any accrued paid time off, in each case to the extent not previously paid.

5.4 If by the Company for Disability. If the Company terminates the Officer's employment by reason of the Officer's Disability during the Employment Period, this Agreement shall terminate without further obligation to the Officer, other than:

(a) The Company's obligation immediately to pay the Officer in cash all amounts specified in clauses (i), (ii) and (iii) of Section 5.1(a), in each case, to the extent unpaid as of the Termination Date (such amounts collectively, the "Accrued Obligations"), and

(b) The Officer's right after the Disability Effective Date to receive disability and other benefits at least equal to the greater of (1) those provided under the most favorable disability Plans applicable to disabled peer

Officers of the Company in effect immediately before the Termination Date, or (2) those provided under the most favorable disability Plans of the Company in effect at any time during the 90-day period immediately before the Effective Date.

5.5 If Upon Death. If the Officer's employment is terminated by reason of the Officer's death during the Employment Period, this Agreement shall terminate without further obligation to the Officer's legal representatives under this Agreement, other than the obligation immediately to pay the Officer's estate or beneficiary in cash all Accrued Obligations. Notwithstanding anything in this Agreement to the contrary, the Officer's family shall be entitled to receive benefits at least equal to the most favorable benefits provided under Plans of the Company to the surviving families of peer Officers of the Company, including retiree coverage under any Welfare Plan of the Company which provides such coverage without regard to whether the Officer had satisfied the eligibility requirements for such benefits as of the date of his or her death, but in no event shall such Plans provide benefits which in each case are less favorable, in the aggregate, than the most favorable of those provided by the Company to the Officer under such Plans in effect at any time during the 90-day period immediately before the Effective Date.

ARTICLE VI
EXPENSES AND INTEREST

6.1 Legal Fees and Other Expenses.

(a) If the Officer incurs legal fees or other expenses in an effort to secure, preserve, establish entitlement to, or obtain benefits under this Agreement, the Company shall, regardless of the outcome of such effort, promptly reimburse the Officer on a current basis for such fees and expenses following the Officer's written submission of a request for reimbursement together with evidence that such fees and expenses were incurred.

(b) If the Officer does not prevail (after exhaustion of all available judicial remedies) in respect of a claim by the Officer or by the Company hereunder, and the Company establishes before a court of competent jurisdiction, by clear and convincing evidence, that the Officer had no reasonable basis for his claim hereunder, or for his response to the Company's claim hereunder, and acted in bad faith, no further reimbursement for legal fees and expenses shall be due to the Officer in respect of such claim and the Officer shall refund any amounts previously reimbursed hereunder with respect to such claim.

6.2 Interest. If the Company does not pay any amount due to the Officer under this Agreement within three days after such amount became due and owing, interest shall accrue on such amount from the date it became due and owing until the date of payment at an annual rate equal to 200 basis points above the base commercial lending rate published in The Wall Street Journal in effect from time to time during the period of such nonpayment.

ARTICLE VII
NO ADVERSE EFFECT ON POOLING OF INTERESTS

Any benefits provided to the Officer under this Agreement may be reduced or eliminated to the extent necessary, in the reasonable judgment of the Board, to enable the Company to account for a merger, consolidation or similar transaction as a pooling of interests; provided that (i) the Board shall have exercised such judgment and given the Officer written notice thereof prior to the Effective Date and (ii) the determination of the Board shall be supported by a written certificate of the Company's independent auditors, a copy of which shall be provided to the Officer before the Effective Date.

ARTICLE VIII
NO SET-OFF OR MITIGATION

8.1 No Set-off by Company. The Officer's right to receive when due the payments and other benefits provided for under this Agreement is absolute, unconditional and subject to no set-off, counterclaim or legal or equitable defense. Any claim which the Company may have against the Officer, whether for a breach of this Agreement or otherwise, shall be brought in a separate action or proceeding and not as part of any action or proceeding brought by the Officer to enforce any rights against the Company under this Agreement.

8.2 No Mitigation. The Officer shall not have any duty to mitigate the amounts payable by the Company under this Agreement by seeking new employment following termination. Except as specifically otherwise provided in this Agreement, all amounts payable pursuant to this Agreement shall be paid without reduction regardless of any amounts of salary, compensation or other amounts which may be paid or payable to the Officer as the result of the Officer's employment by another employer.

ARTICLE IX
NON-EXCLUSIVITY OF RIGHTS

9.1 Waiver of Other Severance Rights. To the extent that payments are made to the Officer pursuant to Section 5.1 of this Agreement, the Officer hereby waives the right to receive benefits under the terms of any severance plan or agreement (including an offer of employment or employment contract) of the Company or its subsidiaries which provides for severance benefits.

9.2 Other Rights. Except as provided in Section 9.1, this Agreement shall not prevent or limit the Officer's continuing or future participation in any benefit, bonus, incentive, or other plans provided by the Company and for which the Officer may qualify, nor shall this Agreement limit or otherwise affect such rights as the Officer may have under any other agreements with the Company. Amounts which are vested benefits or which the Officer is otherwise entitled to receive under any plan of the Company and any other payment or benefit required by law at or after the Termination Date shall be payable in

accordance with such Plan or applicable law except as expressly modified by this Agreement.

ARTICLE X
CONFIDENTIALITY

10.1 Confidential Information. Officer acknowledges that during his employment with Company he became entrusted with, had access to, or gained possession of confidential information, data, documents, records, materials, and other trade secrets and/or proprietary business information or materials not known to competitors and outside third parties including without limitation: (a) information about clients, customers, and suppliers, and prospective clients, customers, and suppliers; (b) purchasing, pricing and profit information, and financial data; (c) sales and marketing strategies, plans, data and materials; (d) new and existing product and service development information; (e) business methods, practices or procedures; (f) computer programs, software development, and special hardware; (g) employee compensation and benefits plans; and (h) strategic business plans including reorganization, acquisition and merger strategies (collectively "Confidential Information").

10.2 Property of Company. Officer recognizes that all such Confidential Information is the sole and exclusive property of the Company and that protection of this Confidential Information is essential to the protection of Company's goodwill and competitive position. Officer agrees that, except as required by the duties of his employment with the Company and except in connection with enforcing the Officer's rights under this Agreement or if compelled by a court or governmental agency, he will not, without the consent of the Company, disseminate or otherwise disclose any Confidential Information obtained during his employment with the Company for so long as such information is valuable and unique. Employee, therefore, agrees to hold all Confidential Information in the strictest confidence. Employee will not disclose, divulge or reveal to, or permit any Confidential Information to be disclosed, divulged or revealed to, any third party, including without limitation, any competitor of Company.

10.3 Remedy. Officer and the Company specifically agree that, in the event that Officer shall breach the obligations under this Article X, the Company will suffer irreparable injury and shall be entitled to injunctive relief therefor, and shall not be precluded from pursuing any and all remedies it may have at law or in equity for breach of such obligations; provided, however, that such breach shall not in any manner or degree whatsoever limit, reduce or otherwise affect the obligations of the Company under this Agreement, and in no event shall an asserted breach of the Officer's obligations under this Article X constitute a basis for deferring or withholding any amounts otherwise payable to the Officer under this Agreement.

ARTICLE XI
NON-COMPETE

11. Officer agrees, in consideration for the benefits outlined in this

Agreement, that for a period of twenty-four (24) months, which begins to run as of the Termination Date, Officer will not:

(a) directly or indirectly, own, advise, manage, operate, join, control, receive compensation or benefits from, or participate in the ownership, management, operation, or control of, or be employed or be otherwise connected in any manner with, any existing or proposed entity which competes with Company in the same or similar geographical markets serviced by Company and provides the same or similar services Officer performed and/or products he marketed, developed and/or otherwise participated in selling, while employed at Company;

(b) directly or indirectly, solicit business from, conduct business with, or initiate any contact or communication with any Company customer whom he served or whose identity he learned during his employment with Company;

(c) directly or indirectly, employ, solicit for hire, attempt to entice away from Company, recommend for employment outside of Company, or otherwise induce any employee(s) of Company to terminate his/her/their employment with Company at any time during which this Agreement is in effect.

ARTICLE XII
MISCELLANEOUS

12.1 No Assignability. This Agreement is personal to the Officer and without the prior written consent of the Company shall not be assignable by the Officer otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Officer's legal representatives.

12.2 Successors. Before or upon the consummation of any Change in Control, the Company shall obtain from each individual, group or entity that becomes a successor to the Company by reason of the Change in Control, the unconditional written agreement of such individual, group or entity to assume this Agreement and to perform all of the obligations of the Company hereunder.

12.3 Payments to Beneficiary. If the Officer dies before receiving amounts to which the Officer is entitled to under this Agreement, such amounts shall be paid in a lump sum to the beneficiary designated in writing by the Officer, or if none is so designated, to the Officer's estate.

12.4 Nonalienation of Benefits. Benefits payable under this Agreement shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, before actually being received by the Officer, and any such attempt to dispose of any right to benefits payable under this Agreement shall be void.

12.5 Severability. If any one or more articles, sections or other portions of this Agreement are declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any article, section or other portion not so declared to be unlawful or invalid. Any article, section or other portion so declared to be unlawful or invalid shall be construed so as to effectuate the terms of such article, section or other portion to the fullest extent possible while remaining lawful and valid.

12.6 Arbitration. Any and all disputes between the parties hereto arising out of this Agreement (other than disputes related to Article VI or to an alleged breach of the covenant contained in Article XI) shall be settled by arbitration before an impartial arbitrator pursuant to the rules and regulations of the American Arbitration Association (AAA) pertaining to the arbitration of labor disputes. Either party may invoke the right to arbitration. The arbitrator shall be selected by means of the parties striking alternatively from a panel of seven arbitrators supplied by the Philadelphia office of AAA. The arbitrator shall have the authority to interpret and apply the provisions of this Agreement, consistent with Section 12.10 below. The decision of the arbitrator shall be final and binding upon the parties. Judgment may be entered on the award in any court of competent jurisdiction.

12.7 Amendments. This Agreement shall not be altered, amended or modified except by written instrument executed by the Company and the Officer.

12.8 Notices. All notices and other communications under this Agreement shall be in writing and delivered by hand or by first-class registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Officer:	If to the Company:
_____	PECO Energy Company
_____	Attn: General Counsel
_____	2301 Market Street
_____	Philadelphia, PA 19101

or to such other address as either party shall have furnished to the other in writing. Notice and communications shall be effective when actually received by the addressee.

12.9 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument.

12.10 Governing Law. This Agreement is intended to be a plan subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended, and shall be interpreted and construed in accordance with the terms thereof; provided, however, that to the extent not preempted thereby, this Agreement is intended to be interpreted and construed in accordance with the laws of the State of Pennsylvania.

12.11 Captions. The captions of this Agreement are not a part of the provisions hereof and shall have no force or effect.

12.12 Tax Withholding. The Company may withhold from any amounts payable under this Agreement any federal, state or local taxes that are required to be withheld pursuant to any applicable law or regulation.

12.13 No Waiver. A waiver of any provision of this Agreement shall not be deemed a waiver of any other provision, and any waiver of any default in any such provision shall not be deemed a waiver of any later default thereof or of any other provision.

12.14 Entire Agreement. This Agreement contains the entire understanding of the Company and the Officer with respect to its subject matter.

IN WITNESS WHEREOF, the Officer and the Company have executed this Agreement as of the date first above written.

- ---------- ----------
CORPORATE SECRETARY OFFICER

CHAIRMAN, COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

WILLIAM H. SMITH, III
Sr. Vice President, Business Services Group

CHANGE IN CONTROL AGREEMENT
FOR KEY MANAGEMENT EMPLOYEES
OF PECO ENERGY COMPANY

THIS AGREEMENT dated _____, 1999 (the "Agreement Date") is made by and among PECO Energy Company, a Pennsylvania corporation, and its subsidiaries, affiliated corporate entities, successors and assigns which may exist from time

to time including without limitation any company into or with which PECO Energy Company may merge or consolidate (hereinafter referred to as the "Company"), and _____ (the "Employee") as a Key Management Employee of the Company.

ARTICLE I
PURPOSES

The Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued services of the Employee, despite the possibility or occurrence of a Change in Control of the Company. The Board believes it is imperative to reduce the distraction of the Employee that would result from the personal uncertainties caused by a pending or threatened Change in Control, to encourage the Employee's full attention and dedication to the Company, and to provide the Employee with compensation and benefits arrangements upon a Change in Control which are competitive with those of similarly-situated corporations. This Agreement is intended to accomplish these objectives.

ARTICLE II
CERTAIN DEFINITIONS

When used in this Agreement, the terms specified below shall have the following meanings:

2.1 "Agreement Term" means the period commencing on the Agreement Date and ending on the second anniversary of the Agreement Date; provided, however, that commencing on the first anniversary of the Agreement Date, the Agreement Term shall be automatically extended each day by one day to create a new two-year term, unless at least 60 days prior to the last day of any such extended Agreement Term, the Company shall give notice to the Employee that the Agreement Term shall not be so extended. The Agreement Term shall include the Employment Period and the Severance Period (each as defined below).

2.2 "Effective Date" means the first date during the Agreement Term on which a Change in Control occurs. Anything in this Agreement to the contrary notwithstanding, if a Change in Control occurs and the Employee's employment with the Company is terminated prior to the date on which the Change in Control occurs, and if it is reasonably demonstrated by the Employee that such termination of employment (a) was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control, or (b) otherwise arose in connection with or in anticipation of a Change in Control, then for all purposes of this Agreement, the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

2.3 "Change in Control" means:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock"), or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from the Company); (B) any acquisition by the Company; (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company (a "Company Plan"); or (D) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this definition; provided further, that for purposes of clause (B), if any Person (other than the Company or any Company Plan) shall become the beneficial owner of 20% or more of the Outstanding Company Common Stock or 20% or more of the Outstanding Company Voting Securities by reason of an acquisition by the Company, and such Person shall, after such acquisition by the Company, become the beneficial owner of any additional shares of the Outstanding Company Common Stock or any additional Outstanding Company Voting Securities (other than pursuant to any dividend reinvestment plan or arrangement maintained by the Company) and such beneficial ownership is publicly announced, such additional beneficial ownership shall constitute a Change in Control; or

(b) Individuals who, as of the date hereof, constitute the Board of Directors of the Company (for purposes of this Section 2.3, the "Incumbent Board") cease for any reason to constitute at least a majority of the Incumbent Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest (as such terms are used in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Approval by the shareholders of the Company of a reorganization, merger or consolidation, or the sale or other disposition of more than 50% of the operating assets of the Company (determined on a consolidated basis), other than in connection with a sale-leaseback or other arrangement resulting in the continued utilization of such assets (or the operating products of such assets)

by the Company (such sale or other disposition, a "Corporate Transaction"); excluding, however, a Corporate Transaction pursuant to which:

(i) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than 60% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which, as a result of such transaction, owns the Company or all or substantially all of the assets of the Company either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be;

(ii) no Person (other than the Company, any Company Plan or related trust of the Company, the corporation resulting from such Corporate Transaction, and any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 20% or more of the Outstanding Company Common Stock or the Outstanding Company Voting Securities, as the case may be) will beneficially own, directly or indirectly, 20% or more of, respectively, the then-outstanding common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation; and

(iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(d) Approval by the shareholders of the Company of a plan of complete liquidation or dissolution of the Company, other than a plan of liquidation or dissolution which results in the acquisition of all or substantially all of the assets of the Company or an affiliated company.

(e) Notwithstanding the foregoing, the consummation of the merger (as such term is defined in the Agreement and Plan of Exchange and Merger dated as of September 22, 1999) among the Company, New Holdco, a Pennsylvania corporation and a wholly owned subsidiary of the Company, and Unicom Corporation, an Illinois Corporation, shall constitute a change in control for purposes of this Agreement.

2.4 "Code" means the Internal Revenue Code of 1986, as amended.

2.5 "Employment Period" means the period commencing on the Effective Date and ending on the second anniversary of such date.

2.6 "Incentive Plan" See Section 3.2(b).

2.7 "Notice of Termination" means a written notice given in accordance with Section 12.8 which sets forth (a) the specific termination provision in this Agreement relied upon by the party giving such notice, (b) in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under such termination provision, and (c) if the Termination Date is other than the date of receipt of such Notice of Termination, the Termination Date.

2.8 "Plans" See Section 3.2(c).

2.9 "Severance Incentive" means the greater of (i) the target annual incentive under an Incentive Plan applicable to the Employee for the Performance Period in which the Termination Date occurs, or (ii) the average of the actual annual incentives paid (or payable, to the extent not previously paid) to the Employee under the Incentive Plan for each of the two calendar years preceding the calendar year in which the Termination Date occurs.

2.10 "Severance Period" means the period beginning on the Employee's Termination Date and ending on the one and a half year anniversary thereof.

2.11 "Termination Date" means the date of termination of the Employee's employment; provided, however, that (a) if the Company terminates the Employee's employment other than for Cause or Disability (as defined in Section 4.1(b)), then the Termination Date shall be the date of receipt of the Notice of Termination and (b) if the Employee's employment is terminated by reason of death or Disability, then the Termination Date shall be the date of death of the Employee of the Disability Effective Date (as defined in Section 4.1(a)), as the case may be.

2.12 "Welfare Plans" See Section 3.2(d).

ARTICLE III
TERMS OF EMPLOYMENT

3.1 Position and Duties.

(a) The Company hereby agrees to continue the Employee in its employ during the Employment Period, and subject to Article IV of this Agreement, the Employee agrees to remain in the employ of the Company subject to the terms and conditions hereof. During the Employment Period: (i) the Employee's position (including status, offices, titles and reporting requirements), authority, duties, and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned to the Employee at any time during the 90-day period immediately preceding the Effective Date, and (ii) the Employee's services shall be performed at the location where the Employee was employed immediately preceding the Effective Date or any office or location less than 50 miles from such location.

(b) During the Employment Period, and excluding any periods of vacation and sick leave to which the Employee is entitled, the Employee agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Employee hereunder, to use the Employee's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Employee (i) to serve on corporate, civic or charitable boards or committees, (ii) to deliver lectures, fulfill speaking engagements or teach at educational institutions and (iii) to manage personal investments, so long as such activities do not significantly interfere with the performance of the Employee's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Employee prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Employee's responsibilities to the Company.

3.2 Compensation.

(a) Base Salary. During the Employment Period, the Employee shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Employee by the Company in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Employee prior to the Effective Date and, thereafter shall be reviewed and increased at any time and from time to time as shall be substantially consistent with increases in base salary awarded to other peer Employees of the Company. Annual Base Salary shall not be reduced

after any such increase unless such reduction is part of a policy, program or arrangement applicable to peer Employees of the Company and of any successor entity, and the term Annual Base Salary as used in this Agreement shall refer to Annual Base Salary as so increased. Any increase in Annual Base Salary shall not limit or reduce any other obligation of the Company to the Employee under this Agreement.

(b) Annual Incentive. In addition to Annual Base Salary, the Company shall pay or cause to be paid to the Employee an incentive award (the "Annual Incentive") for each Performance Period which ends during the Employment Period. "Performance Period" means each period of time designated in accordance with any annual incentive award arrangement ("Incentive Plan") which is based upon performance and approved by the Board or any committee of the Board, or in the absence of any Incentive Plan or any such designated period of time, Performance Period shall mean each calendar year. The Employee's target and maximum Annual Incentive with respect to any Performance Period shall not be less than the target and maximum annual incentive award payable with respect to the Employee under the Company's annual incentive program as in effect immediately preceding the Effective Date.

(c) Incentive, Savings and Retirement Plans. During the Employment Period, the Employee shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs ("Plans") applicable generally to other peer Employees of the Company, but in no event shall such Plans provide the Employee with incentives (measured with respect to long-term and special incentives, to the extent, if any, that such distinctions are applicable) or savings and retirement benefits which, in each case, are less favorable, in the aggregate than the greater of (i) those provided by the Company for the Employee under such Plans as in effect at any time during the 90-day period immediately preceding the Effective Date, or (ii) those provided generally at any time after the Effective Date to other peer Employees of the Company.

(d) Welfare Benefit Plans. During the Employment Period, the Employee and/or the Employee's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs ("Welfare Plans") provided by the Company (including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance benefits), but in no event shall such Welfare Plans provide the Employee with benefits which are less favorable, in the aggregate, than the greater of (i) those provided by the Company for the Employee under such Welfare Plans as were in effect at any time during the 90-day period immediately preceding the Effective Date, or (ii) those provided generally at any time after the Effective Date to other peer Employees of the Company.

(e) Other Employee Benefits. During the Employment Period, the Employee shall be entitled to other employee benefits and perquisites in accordance with the most favorable plans, practices, programs and policies of the Company, as in effect with respect to the Employee at any time during the 90-day period

immediately preceding the Effective Date, or if more favorable, as in effect generally with respect to other peer Employees of the Company.

(f) Expenses. During the Employment Period, the Employee shall be entitled to receive prompt reimbursements for all reasonable expenses incurred by the Employee in accordance with the policies, practices and procedures of the Company as in effect with respect to the Employee at any time during the 90-day period immediately preceding the Effective Date, or if more favorable, as in effect generally with respect to other peer Employees of the Company.

(g) Office and Support Staff. During the Employment Period, the Employee shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, as in effect with respect to the Employee at any time during the 90-day period immediately preceding the Effective Date, or if more favorable, as provided generally with respect to other peer Employees of the Company.

(h) Paid Time Off. During the Employment Period, the Employee shall be entitled to paid time off in accordance with the plans, policies, programs and practices of the Company as in effect with respect to the Employee at any time during the 90-day period immediately preceding the Effective Date, or if more favorable, as provided generally with respect to other peer Employees of the Company.

(i) Subsidiaries. To the extent that immediately prior to the Effective Date, the Employee has been on the payroll of, and participated in the incentive or employee benefit plans of, a subsidiary of the Company, the references to the Company contained in Sections 3.2(a) through 3.2(h) and the other Sections of this Agreement referring to benefits to which the Employee may be entitled shall be read to refer to such subsidiary.

ARTICLE IV
TERMINATION OF EMPLOYMENT

4.1 Disability.

(a) During the Agreement Term, the Company may terminate the Employee's employment upon the Employee's Disability (as defined in Section 4.1(b)) by giving the Employee or his legal representative, as applicable, (1) written notice in accordance with Section 12.8 of the Company's intention to terminate the Employee's employment pursuant to this Section, and (2) a certification of the Employee's Disability by a physician selected by the Company or its insurers and reasonably acceptable to the Employee or the Employee's legal representative. The Employee's employment shall terminate effective on the 30th day (the "Disability Effective Date") after the Employee's receipt of such notice unless, before the Disability Effective Date, the Employee shall have resumed the full-time performance of the Employee's duties.

(b) "Disability" means any medically determinable physical or mental impairment that has lasted for a continuous period of not less than six months and can be expected to be permanent or of indefinite duration, and which renders the Employee unable to perform the duties required under this Agreement.

4.2 Death. The Employee's employment shall terminate automatically upon the Employee's death during the Agreement Term.

4.3 Cause. The Company may terminate the Employee's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" means:

(a) The Employee's willful commission of acts or omissions which have, have had, or are likely to have, a material adverse effect on the business, operations, financial condition or reputation of the Company;

(b) The Employee's conviction (including a plea of guilty or nolo contendere) of a felony or any crime of fraud, theft, dishonesty, or moral turpitude; or

(c) The Employee's material violation of any statutory or common law duty of loyalty to the Company.

For purposes of this Agreement, no act, or failure to act, on the part of the Employee shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Employee Officer or a senior officer of the Company, or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Company. The cessation of employment of the Employee shall not be deemed to be for Cause unless and until there shall have been delivered to the Employee a copy of a resolution duly adopted by the affirmative vote of not less than 60% of the entire membership of the Board at a meeting of such Board called and held for such purpose (after reasonable notice is provided to the Employee and the Employee is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Employee is guilty of the conduct described in paragraph (a) or (c) above, and specifying the particulars thereof in detail.

4.4 Good Reason. During the Employment Period, the Employee's employment may be terminated by the Employee for Good Reason. For purposes of this Agreement, "Good Reason" means any material breach of this Agreement by the Company, including:

(a) The failure to maintain the Employee in the office or position, or in a substantially equivalent office or position, held by the Employee immediately prior to the Change in Control;

(b) A material adverse alteration in the nature or scope of the Employee's position, duties, functions, responsibilities or authority;

(c) A material reduction of the Employee's salary, incentive compensation or benefits, unless such reduction is part of a policy, program or arrangement applicable to peer Employees of the Company and of any successor entity;

(d) A determination by the Employee, made in good faith during the Agreement Term, that, as a result of the Change in Control, the Employee is substantially unable to perform, or that there has been a material reduction in, any of the Employee's duties, functions, responsibilities or authority;

(e) The failure of any successor to the Company to assume this Agreement, or a material breach of the Agreement by the Company or its successor;

(f) A relocation of more than 50 miles of (i) the Employee's workplace, or (ii) the principal offices of the Company (if such offices are the Employee's workplace), in each case without the consent of the Employee;

(g) A requirement of at least 20% more business travel than was required of the Employee prior to the Change in Control; or

(h) Any failure by the Company to comply with any of the provisions of Section 3.2 of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Employee; provided, however, that an act or omission shall not constitute a material breach of this Agreement by the Company:

(i) unless the Employee gives the Company 30 days' prior notice of such act or omission and the Company fails to cure such act or omission within the 30-day period;

(ii) if the Employee first acquired knowledge of such act or omission more than 12 months before the Employee gives the Company such notice; or

(iii) if the Employee has consented in writing to such act or omission in a document that makes specific reference to this Section.

ARTICLE V
OBLIGATIONS OF THE COMPANY UPON TERMINATION

5.1 If by the Employee for Good Reason or by the Company Other Than for Cause or Disability. If, during the Employment Period, the Company shall terminate the Employee's employment other than for Cause or Disability, or if the Employee shall terminate employment for Good Reason, the Company's obligations to the Employee shall be as follows:

(a) The Company shall, within five business days of such termination of employment, pay the Employee a cash payment equal to the sum of the following amounts:

(i) to the extent not previously paid, the Annual Base Salary and any accrued paid time off through the Termination Date;

(ii) an amount equal to the product of (1) the Annual Incentive (as defined in Section 3.2(b)) for the Performance Period in which the Termination Date occurs multiplied by (2) a fraction, the numerator of which is the number of days actually worked during such Performance Period, and the denominator of which is 365; or, if greater, the amount of any Annual Incentive paid or payable to the Employee with respect to the Performance Period for the year in which the Termination Date occurs; and,

(iii) all amounts previously deferred by or accrued to the benefit of the Employee under any nonqualified deferred compensation plan sponsored by the Company, excluding the Management Supplemental Employee Retirement and Deferred Compensation Plan (the "SERP"), together with any accrued earnings thereon, and not yet paid by the Company.

(b) The Company shall pay the Employee, no later than the tenth day of each month for eighteen months following the Employee's Termination Date, an amount equal to the monthly pro-rata sum of the Employee's Annual Base Salary plus the Severance Incentive.

(c) Each of the Employee's stock options granted under the Long Term Incentive Plan (the "LTIP"), any successor plan or otherwise that is exercisable on the Termination Date shall remain exercisable until the applicable option expiration date.

(d) On the Termination Date (1) the Employee shall become fully vested in, and may thereupon and until the applicable expiration date of such stock incentive awards exercise in whole or in part, any and all stock incentive awards granted to the Employee under the LTIP, any successor plan or otherwise which have not become exercisable as the Termination Date, and (2) the Employee shall become fully vested at the target level in any cash incentive awards granted under the LTIP, a successor plan or otherwise which have not, as of the Termination Date, become fully vested.

(e) All forfeiture conditions that as of the Termination Date are applicable to any deferred stock unit, restricted stock or restricted share units awarded to the Employee by the Company pursuant to the LTIP, a successor plan or otherwise shall lapse immediately.

(f) During the Severance Period (or until such later date as any Welfare Plan of the Company may specify), the Company shall continue to provide to the Employee and the Employee's family welfare benefits (including, without limitation, medical, prescription, dental, disability, individual life and group life insurance benefits) which are at least as favorable as those provided under the most favorable Welfare Plans of the Company applicable (i) with respect to

the Employee and his family during the 90-day period immediately preceding the Termination Date, or (ii) with respect to other peer Employees and their families during the Severance Period. In determining benefits under such Welfare Plans, the Employee's annual compensation attributable to base salary and incentives for any plan year or calendar year, as applicable, shall be deemed to be not less than the Employee's Annual Base Salary and Annual Incentive. The cost of the welfare benefits provided under this Section 5.1(f) shall not exceed the cost of such benefits to the Employee immediately before the Termination Date or, if less, the Effective Date. Notwithstanding the foregoing, if the Employee obtains comparable coverage under any Welfare Plans sponsored by another employer, then the amount of coverage required to be provided by the Company hereunder shall be reduced by the amount of coverage provided by such other employer's Welfare Plans. The Employee's rights under this Section shall be in addition to and not in lieu of any post-termination continuation coverage or conversion rights the Employee may have pursuant to applicable law, including, without limitation, continuation coverage required by Section 4980B of the Code. Notwithstanding the preceding, if the Employee has, as of the last day of the Severance Period, attained age 50 and completed at least 10 years of service, the Employee shall be entitled to the retiree benefits provided under any Welfare Plan of the Company. For purposes of determining eligibility for (but not the time of commencement of) such retiree benefits, the Employee shall also be considered (i) to have remained employed until the last day of the Severance Period and to have retired on the last day of such period, and (ii) to have attained at least the age the Employee would have attained on the last day of the Severance Period.

(g) The amount payable under Section 5.1(b) of this Agreement shall be taken into account for purposes of determining the amount of benefits to which the Employee is entitled under the SERP; provided that such amount shall be taken into account as though it was earned equally over the Severance Period, and further provided that the Employee shall be deemed to have attained the age he or she would have attained as of the last day of the Severance Period, and completed the number of years of service he or she would have completed as of the last day of the Severance Period.

(h) The Company shall, at its sole expense, as incurred, pay on behalf of Employee all fees and costs charged by a nationally recognized outplacement firm selected by the Employee to provide outplacement service.

5.2 If by the Company for Cause. If the Company terminates the Employee's employment for Cause during the Employment Period, this Agreement shall terminate without further obligation by the Company to the Employee, other than the obligation immediately to pay the Employee in cash the Employee's Annual Base Salary through the Termination Date, plus any accrued paid time off, in each case to the extent not previously paid.

5.3 If by the Employee Other Than for Good Reason. If the Employee terminates employment during the Employment Period other than for Good Reason, Disability or death, this Agreement shall terminate without further obligation by the Company, other than the obligation immediately to pay the Employee in

cash the Employee's Annual Base Salary through the Termination Date, plus any accrued paid time off, in each case to the extent not previously paid.

5.4 If by the Company for Disability. If the Company terminates the Employee's employment by reason of the Employee's Disability during the Employment Period, this Agreement shall terminate without further obligation to the Employee, other than:

(a) The Company's obligation immediately to pay the Employee in cash all amounts specified in clauses (1), (2) and (3) of Section 5.1(a), in each case, to the extent unpaid as of the Termination Date (such amounts collectively, the "Accrued Obligations"), and

(b) The Employee's right after the Disability Effective Date to receive disability and other benefits at least equal to the greater of (1) those provided under the most favorable disability Plans applicable to disabled peer Employees of the Company in effect immediately before the Termination Date, or (2) those provided under the most favorable disability Plans of the Company in effect at any time during the 90-day period immediately before the Effective Date.

5.5 If Upon Death. If the Employee's employment is terminated by reason of the Employee's death during the Employment Period, this Agreement shall terminate without further obligation to the Employee's legal representatives under this Agreement, other than the obligation immediately to pay the Employee's estate or beneficiary in cash all Accrued Obligations. Notwithstanding anything in this Agreement to the contrary, the Employee's family shall be entitled to receive benefits at least equal to the most favorable benefits provided under Plans of the Company to the surviving families of peer Employees of the Company, including retiree coverage under any Welfare Plan of the Company which provides such coverage without regard to whether the Employee had satisfied the eligibility requirements for such benefits as of the date of his or her death, but in no event shall such Plans provide benefits which in each case are less favorable, in the aggregate, than the most favorable of those provided by the Company to the Employee under such Plans in effect at any time during the 90-day period immediately before the Effective Date.

ARTICLE VI
EXPENSES AND INTEREST

6.1 Legal Fees and Other Expenses.

(a) If the Employee incurs legal fees or other expenses in an effort to secure, preserve, establish entitlement to, or obtain benefits under this Agreement, the Company shall, regardless of the outcome of such effort, promptly reimburse the Employee on a current basis for such fees and expenses following the Employee's written submission of a request for reimbursement together with evidence that such fees and expenses were incurred.

(b) If the Employee does not prevail (after exhaustion of all available judicial remedies) in respect of a claim by the Employee or by the Company hereunder, and the Company establishes before a court of competent jurisdiction, by clear and convincing evidence, that the Employee had no reasonable basis for his claim hereunder, or for his response to the Company's claim hereunder, and acted in bad faith, no further reimbursement for legal fees and expenses shall be due to the Employee in respect of such claim and the Employee shall refund any amounts previously reimbursed hereunder with respect to such claim.

6.2 Interest. If the Company does not pay any amount due to the Employee under this Agreement within three days after such amount became due and owing, interest shall accrue on such amount from the date it became due and owing until the date of payment at an annual rate equal to 200 basis points above the base commercial lending rate published in The Wall Street Journal in effect from time to time during the period of such nonpayment.

ARTICLE VII
NO ADVERSE EFFECT ON POOLING OF INTERESTS

Any benefits provided to the Employee under this Agreement may be reduced or eliminated to the extent necessary, in the reasonable judgment of the Board, to enable the Company to account for a merger, consolidation or similar transaction as a pooling of interests; provided that (i) the Board shall have exercised such judgment and given the Employee written notice thereof prior to the Effective Date and (ii) the determination of the Board shall be supported by a written certificate of the Company's independent auditors, a copy of which shall be provided to the Employee before the Effective Date.

ARTICLE VIII
NO SET-OFF OR MITIGATION

8.1 No Set-off by Company. The Employee's right to receive when due the payments and other benefits provided for under this Agreement is absolute, unconditional and subject to no set-off, counterclaim or legal or equitable defense. Any claim which the Company may have against the Employee, whether for a breach of this Agreement or otherwise, shall be brought in a separate action or proceeding and not as part of any action or proceeding brought by the Employee to enforce any rights against the Company under this Agreement.

8.2 No Mitigation. The Employee shall not have any duty to mitigate the amounts payable by the Company under this Agreement by seeking new employment following termination. Except as specifically otherwise provided in this Agreement, all amounts payable pursuant to this Agreement shall be paid without reduction regardless of any amounts of salary, compensation or other amounts which may be paid or payable to the Employee as the result of the Employee's employment by another employer.

ARTICLE IX
NON-EXCLUSIVITY OF RIGHTS

9.1 Waiver of Other Severance Rights. To the extent that payments are made to the Employee pursuant to Section 5.1 of this Agreement, the Employee hereby waives the right to receive benefits under the terms of any severance plan or agreement (including an offer of employment or employment contract) of the Company or its subsidiaries which provides for severance benefits.

9.2 Other Rights. Except as provided in Section 9.1, this Agreement shall not prevent or limit the Employee's continuing or future participation in any benefit, bonus, incentive, or other plans provided by the Company and for which the Employee may qualify, nor shall this Agreement limit or otherwise affect such rights as the Employee may have under any other agreements with the Company. Amounts which are vested benefits or which the Employee is otherwise entitled to receive under any plan of the Company and any other payment or benefit required by law at or after the Termination Date shall be payable in accordance with such Plan or applicable law except as expressly modified by this Agreement.

ARTICLE X
CONFIDENTIALITY

10.1 Confidential Information. Employee acknowledges that during his employment with Company he became entrusted with, had access to, or gained possession of confidential information, data, documents, records, materials, and other trade secrets and/or proprietary business information or materials not known to competitors and outside third parties including without limitation: (a) information about clients, customers, and suppliers, and prospective clients, customers, and suppliers; (b) purchasing, pricing and profit information, and

financial data; (c) sales and marketing strategies, plans, data and materials; (d) new and existing product and service development information; (e) business methods, practices or procedures; (f) computer programs, software development, and special hardware; (g) employee compensation and benefits plans; and (h) strategic business plans including reorganization, acquisition and merger strategies (collectively "Confidential Information").

10.2 Property of Company. Employee recognizes that all such Confidential Information is the sole and exclusive property of the Company and that protection of this Confidential Information is essential to the protection of Company's goodwill and competitive position. Employee agrees that, except as required by the duties of his employment with the Company and except in connection with enforcing the Employee's rights under this Agreement or if compelled by a court or governmental agency, he will not, without the consent of the Company, disseminate or otherwise disclose any Confidential Information obtained during his employment with the Company for so long as such information is valuable and unique. Employee, therefore, agrees to hold all Confidential Information in the strictest confidence. Employee will not disclose, divulge or reveal to, or permit any Confidential Information to be disclosed, divulged or revealed to, any third party, including without limitation, any competitor of Company.

10.3 Remedy. Employee and the Company specifically agree that, in the event that Employee shall breach the obligations under this Article X, the Company will suffer irreparable injury and shall be entitled to injunctive relief therefor, and shall not be precluded from pursuing any and all remedies it may have at law or in equity for breach of such obligations; provided, however, that such breach shall not in any manner or degree whatsoever limit, reduce or otherwise affect the obligations of the Company under this Agreement, and in no event shall an asserted breach of the Employee's obligations under this Article X constitute a basis for deferring or withholding any amounts otherwise payable to the Employee under this Agreement.

ARTICLE XI
NON-COMPETE

11. Employee agrees, in consideration for the benefits outlined in this Agreement, that for a period of twenty-four (24) months, which begins to run as of the Termination Date, Employee will not:

(a) directly or indirectly, own, advise, manage, operate, join, control, receive compensation or benefits from, or participate in the ownership, management, operation, or control of, or be employed or be otherwise connected in any manner with, any existing or proposed entity which competes with Company in the same or similar geographical markets serviced by Company and provides the same or similar services Employee performed and/or products he marketed, developed and/or otherwise participated in selling, while employed at Company;

(b) directly or indirectly, solicit business from, conduct

business with, or initiate any contact or communication with any Company customer whom he served or whose identity he learned during his employment with Company;

(c) directly or indirectly, employ, solicit for hire, attempt to entice away from Company, recommend for employment outside of Company, or otherwise induce any employee(s) of Company to terminate his/her/their employment with Company at any time during which this Agreement is in effect.

ARTICLE XII
MISCELLANEOUS

12.1 No Assignability. This Agreement is personal to the Employee and without the prior written consent of the Company shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

12.2 Successors. Before or upon the consummation of any Change in Control, the Company shall obtain from each individual, group or entity that becomes a successor to the Company by reason of the Change in Control, the unconditional written agreement of such individual, group or entity to assume this Agreement and to perform all of the obligations of the Company hereunder.

12.3 Payments to Beneficiary. If the Employee dies before receiving amounts to which the Employee is entitled to under this Agreement, such amounts shall be paid in a lump sum to the beneficiary designated in writing by the Employee, or if none is so designated, to the Employee's estate.

12.4 Nonalienation of Benefits. Benefits payable under this Agreement shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, before actually being received by the Employee, and any such attempt to dispose of any right to benefits payable under this Agreement shall be void.

12.5 Severability. If any one or more articles, sections or other portions of this Agreement are declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any article, section or other portion not so declared to be unlawful or invalid. Any article, section or other portion so declared to be unlawful or invalid shall be construed so as to effectuate the terms of such article, section or other portion to the fullest extent possible while remaining lawful and valid.

12.6 Arbitration. Any and all disputes between the parties hereto arising out of this Agreement (other than disputes related to Article VI or to an alleged breach of the covenant contained in Article XI) shall be settled by arbitration before an impartial arbitrator pursuant to the rules and regulations of the American Arbitration Association (AAA) pertaining to the arbitration of labor disputes. Either party may invoke the right to arbitration. The arbitrator

shall be selected by means of the parties striking alternatively from a panel of seven arbitrators supplied by the Philadelphia office of AAA. The arbitrator shall have the authority to interpret and apply the provisions of this Agreement, consistent with Section 12.10 below. The decision of the arbitrator shall be final and binding upon the parties. Judgment may be entered on the award in any court of competent jurisdiction.

12.7 Amendments. This Agreement shall not be altered, amended or modified except by written instrument executed by the Company and the Employee.

12.8 Notices. All notices and other communications under this Agreement shall be in writing and delivered by hand or by first-class registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee:	If to the Company:
_____	PECO Energy Company
_____	Attn: General Counsel
_____	2301 Market Street
_____	Philadelphia, PA 19101

or to such other address as either party shall have furnished to the other in writing. Notice and communications shall be effective when actually received by the addressee.

12.9 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument.

12.10 Governing Law. This Agreement is intended to be a plan subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended, and shall be interpreted and construed in accordance with the terms thereof; provided, however, that to the extent not preempted thereby, this Agreement is intended to be interpreted and construed in accordance with the laws of the State of Pennsylvania.

12.11 Captions. The captions of this Agreement are not a part of the provisions hereof and shall have no force or effect.

12.12 Tax Withholding. The Company may withhold from any amounts payable under this Agreement any federal, state or local taxes that are required to be withheld pursuant to any applicable law or regulation.

12.13 No Waiver. A waiver of any provision of this Agreement shall not be deemed a waiver of any other provision, and any waiver of any default in any such provision shall not be deemed a waiver of any later default thereof or of any other provision.

12.14 Entire Agreement. This Agreement contains the entire understanding of the Company and the Employee with respect to its subject matter.

IN WITNESS WHEREOF, the Employee and the Company have executed this Agreement as of the date first above written.

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CORPORATE SECRETARY

KEY EMPLOYEE

CHAIRMAN, COMPENSATION
COMMITTEE OF THE
BOARD OF DIRECTORS

WILLIAM H. SMITH, III
Sr. Vice President, Business Services Group

FIRST AMENDMENT
TO THE
COMMONWEALTH EDISON COMPANY
SUPPLEMENTAL MANAGEMENT RETIREMENT PLAN

The Commonwealth Edison Company Supplemental Management Retirement Plan, as amended and restated, effective January 1, 1998, and as subsequently amended from time to time (the "Supplemental Plan") is hereby further amended, effective as of the dates provided below, to clarify the class of employees eligible to participate in the Supplemental Plan and to make certain other changes:

I

The Supplemental Plan is hereby amended effective January 1, 1997 as follows:

1. The second paragraph of Section 1.1 of the Supplemental Plan is hereby amended by inserting at the end thereof the following new sentence:

> The portion of the Supplemental Plan that provides benefits described in the first sentence of Section 4.1 is intended to be an "excess benefit plan" as defined in Section 3(36) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

2. Section 3.1 of the Supplemental Plan is hereby amended (a) by deleting the words "the Limitations" that appear in the second sentence contained therein and inserting in lieu thereof the words "the application of Section 415 of the Code (the "415 Limitation")" and (b) by inserting at the end thereof the following new sentence:

> In addition, each Eligible Employee who is classified by an Employer as a key management employee or an officer (a "Key Management Employee") and who becomes entitled to a benefit under the Qualified Plan which is reduced or limited by the Limitations shall participate in the Supplemental Plan when such individual becomes entitled to receive benefits under the Qualified Plan.

3. Section 4.1 of the Supplemental Plan is hereby amended, effective as of January 1, 1997, (a) by inserting the phrase ", other than a Participant who is a Key Management Employee," immediately after the words "described in Section 3.1" that are contained therein, (b) by deleting the word "Limitations" wherever it appears therein and inserting in lieu thereof the words "415 Limitation" and (c) by inserting the following new sentence at the end thereof:

> If a Participant who is a Key Management Employee begins receiving benefits under the Qualified Plan on his or her Annuity Starting Date and, on that date, the retirement benefit payable under the Qualified Plan to such Participant is less than the retirement benefit that would be payable to such Participant under the Qualified Plan but for the application of the Limitations, then such Participant shall be entitled to an annual benefit under the Excess Plan in an amount equal to the excess of (A) minus (B) where:
>
> (A) equals the amount of annual benefit payable to such Participant under the Qualified Plan if payments thereunder were calculated without regard to the Limitations, and
>
> (B) equals the amount of the annual benefit payable to such Participant under the Qualified Plan.

4. Section 4.3 of the Supplemental Plan is hereby amended (a) by deleting the phrase "but for the application of any Limitations" contained in clause (I) therein and inserting in lieu thereof the phrase "but for, in the case of a Participant described in Section 3.3 who is entitled to a survivor benefit with respect to a Participant who is not a Key Management Employee, application of the 415 Limitation, and in the case of a Participant described in Section 3.3 who is entitled to a survivor benefit with respect to a Participant who is a Key Management Employee, application of any Limitations" and (b) by deleting the phrase "without giving effect to any Limitations" contained in clause (I) of subparagraph (A) therein and inserting in lieu thereof the following phrase "without giving effect to, in the case of a Participant described in Section 3.3 who is entitled to a survivor benefit with respect to a Participant who is not a Key Management Employee, the 415 Limitation, and in the case of a Participant described in Section 3.3 who is entitled to a survivor benefit with respect to a Participant who is a Key Management Employee, any Limitations".

5. Section 5.1 of the Supplemental Plan is hereby amended by deleting the word "Limitations" that appears therein and inserting in lieu thereof the words "415 Limitation or any Limitations, whichever is applicable".

6. Section 6.1 of the Supplemental Plan is hereby amended (a) by inserting the words "the first sentence of" immediately after the words "Benefits provided under" that appear in the first sentence contained therein, (b) by deleting the word "Limitations" that appears in the first sentence contained therein and inserting in lieu thereof the words "415 Limitations", (c) by inserting the phrase "the second sentence of Section 4.1 and under" immediately after the words "Benefits provided under" that appear in the second sentence contained therein and (d) by inserting the words "the first sentence of" immediately after the words "other than as described in" that appear in the second sentence contained therein.

III

The Supplemental Plan is hereby amended effective January 1, 2001 as follows:

1. The name of the Supplemental Plan is hereby redesignated "Exelon Corporation Supplemental Management Retirement Plan" and all references to the name of the Supplemental Plan are hereby redesignated accordingly.

2. The words "Commonwealth Edison Company" wherever they appear in the Supplemental Plan are hereby changed to "Exelon Corporation".

3. Section 1.1 of the Supplemental Plan is hereby amended (a) by deleting the words "Commonwealth Edison Company Service Annuity System" that appear in the first sentence of the second paragraph contained therein and inserting in lieu thereof the words "the Commonwealth Edison Company Service Annuity System and the Exelon Corporation Cash Balance Plan" and (b) by deleting the words "Qualified Plan" wherever they appear therein and inserting in lieu thereof the words "Qualified Plans".

4. Section 3.1 of the Supplemental Plan, as amended above, is hereby further amended, by deleting the words "the Qualified Plan" wherever such words appear and inserting in lieu thereof the words "any of the Qualified Plans".

5. All references contained in the Supplemental Plan to "the Qualified Plan" shall be changed to "the Qualified Plans".

III

Except as herein amended, the Supplemental Plan shall remain in full force and effect. Executed this 22nd day of December, 2000.
COMMONWEALTH EDISON COMPANY

By: /s/ S. Gary Snodgrass

S. Gary Snodgrass
Senior Vice President

FIRST AMENDMENT TO THE UNICOM CORPORATION STOCK BONUS DEFERRAL PLAN

The Unicom Corporation Stock Bonus Deferral Plan, as amended and restated, effective September 30, 1998, is hereby amended, effective September 30, 1998, as follows:

I

The following is added as flush language to follow paragraph (c) of Article II:

> "Notwithstanding the preceding, an individual who became a Participant under the terms of this Article II and whose employment status changes such that the Participant is no longer an individual described in paragraphs (a), (b) or (c) hereof on the applicable election date (other than a Participant receiving benefits under a severance plan or arrangement sponsored by the Company or an affiliate thereof) shall remain a Participant solely for purposes of a subsequent payment election under Section 3.1(d) in accordance with the terms thereof, and for purposes of Section 5.2."

II

Section 3.1(d) is amended by adding a sentence to the end thereof to read as follows:

> "Notwithstanding the preceding, a Participant whose employment status changes such that the Participant is no longer an individual described in paragraphs (a), (b) or (c) of Article II on the applicable election date (excluding a Participant receiving benefits under a severance plan or arrangement sponsored by the Company or an affiliate thereof) shall be entitled to make subsequent payment elections under this paragraph (d) only with respect to amounts deferred while such Participant was an individual described in paragraphs (a), (b) or (c) of Article II."

III

Section 3.2 is amended to read as follows:

> "3.2 Termination of Participation. Each Participant shall remain a Participant until such individual is no longer entitled to benefits hereunder; provided, however, that except as provided under Section 3.1(d), a Participant (i) who is receiving benefits under a severance plan or arrangement sponsored by the Company or an affiliate, (ii) who is, as of any applicable election date, no longer described in paragraphs (a), (b) or (c) of Article II, or (iii) who has had a termination of employment or retired but has not yet received a distribution of his Plan accounts shall not be entitled to make any further deferral elections under the Plan."

IV

Except as herein amended, the Plan shall remain in full force and effect.

Executed this 30th day of December, 1998.

UNICOM CORPORATION

By: /s/ S. Gary Snodgrass

S. Gary Snodgrass
Senior Vice President

SECOND AMENDMENT TO THE
UNICOM CORPORATION
STOCK BONUS DEFERRAL PLAN

WHEREAS, on October 9, 2000, the Compensation Committee of the Board of Directors of Unicom Corporation authorized (i) the transfer of sponsorship of the Unicom Corporation Stock Bonus Deferral Plan, as amended and restated, effective September 30, 1998, and as amended by the First Amendment thereto, also effective September 30, 1998 (the "SBDP") from Unicom Corporation to Exelon Corporation and the substitution of common stock of Exelon Corporation for any reference to the common stock of Unicom Corporation, effective as of the effective date of the merger of Unicom Corporation with and into Exelon Corporation (the "Merger Effective Date"); and

WHEREAS, it is necessary and appropriate to make other amendments to the SBDP;

NOW THEREFORE, the SBDP is hereby amended as follows, effective as of the Merger Effective Date, except as otherwise specified below:

I

The SBDP is renamed the Exelon Corporation Stock Deferral Plan.

II

Exelon Corporation is substituted for Unicom Corporation as the "Company", and "Exelon Stock" is substituted for any references to "Unicom Stock".

III

Each outstanding deferred share of common stock of Unicom Corporation credited on behalf of any SBDP participant is hereby converted to a deferred share of common stock of Exelon Corporation, using a conversion rate 0.875 of one deferred share of common stock of Exelon Corporation for each deferred share of common stock of Unicom Corporation, and the $3 per share cash consideration provided with respect to each such deferred share of common stock of Unicom Corporation shall be credited as additional deferred shares of common stock of Exelon Corporation, using the opening price of such common stock of Exelon Corporation on the date such stock is first traded on the New York Stock Exchange.

IV

In all other respects, the SBDP shall remain in full force and effect.

Executed this __ day of October, 2000.

UNICOM CORPORATION

By: /s/ S. Gary Snodgrass

S. Gary Snodgrass
Senior Vice President and
Chief Human Resources Officer

FIRST AMENDMENT TO THE UNICOM CORPORATION KEY MANAGEMENT SEVERANCE PLAN

The Unicom Corporation Key Severance Plan, as established effective June 15, 1998 and as amended and restated, effective March 8, 1999, is hereby further amended, effective January 1, 2000, as follows:

I

The first sentence of Section 4 is amended to read as follows:

> "Except as provided in Section 5 with respect to a Termination of Employment on account of a Change in Control, benefits under the Plan shall be those described in this Section 4; provided, however, that if, under the terms of an offer of employment or employment agreement with the Company which does not state that the benefits provided therein shall be the sole remedy in the event of a termination of employment, a Participant would be entitled to benefits which exceed the level of comparable benefits provided under the Plan, the terms of such offer of employment or other agreement shall control with respect to such benefits.

II

Section 4.7 is amended to read as follows:

Section 7.7 is amended to read as follows:

"7.7 "Termination of Employment" means:

(a) a termination of the Executive's employment by the Company or any subsidiary for reasons other than for Cause; or

(b) the resignation by the Executive for Good Reason.

The following shall not constitute a Termination of Employment for purposes of the Plan:

(a) a termination of the Executive's employment for Cause;

(b) an Executive's resignation other than for Good Reason; or

(c) a cessation of employment by the Company as the result of the sale, spinoff or other divestiture of a plant, division or business unit or a merger or other business combination followed by employment (or reemployment) with the purchaser or successor in interest to the Company with regard to such plant, division or business unit.

Any dispute regarding whether an Executive's Termination of Employment for purposes of Section 5 is based on Good Reason shall be submitted to binding arbitration."

III

Except as herein amended, the Plan shall remain in full force and effect.

Executed this ____ day of April, 2000.

UNICOM CORPORATION

By: /s/ S. Gary Snodgrass

S. Gary Snodgrass
Senior Vice President

January 30, 2001

Board of Directors
Exelon Corporation
10 South Dearborn
37th Floor
Chicago, Illinois 60603

Dear Directors:

We are providing this letter to you for inclusion as an exhibit to your Form 10-K filing pursuant to Item 601 of Regulation S-K.

We have audited the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2000 and issued our report thereon dated January 30, 2001. Note 4 to the financial statements describes a change in accounting principle in accounting for nuclear outage costs from the accrue in advance method to expense as incurred method. It should be understood that the preferability of one acceptable method of accounting over another for accounting for nuclear outage costs has not been addressed in any authoritative accounting literature, and in expressing our concurrence below we have relied on management's determination that this change in accounting principle is preferable. Based on our reading of management's stated reasons and justification for this change in accounting principle in the Form 10-K, and our discussions with management as to their judgment about the relevant business planning factors relating to the change, we concur with management that such change represents, in the Company's circumstances, the adoption of a preferable accounting principle in conformity with Accounting Principles Board Opinion No. 20.

Very truly yours,

PricewaterhouseCoopers LLP
Chicago, Illinois

January 30, 2001

Board of Directors
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101

Dear Directors:

We are providing this letter to you for inclusion as an exhibit to your Form 10-K filing pursuant to Item 601 of Regulation S-K.

We have audited the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2000 and issued our report thereon dated January 30, 2001. Note 4 to the financial statements describes a change in accounting principle in accounting for nuclear outage costs from the accrue in advance method to expense as incurred method. It should be understood that the preferability of one acceptable method of accounting over another for accounting for nuclear outage costs has not been addressed in any authoritative accounting literature, and in expressing our concurrence below we have relied on management's determination that this change in accounting principle is preferable. Based on our reading of management's stated reasons and justification for this change in accounting principle in the Form 10-K, and our discussions with management as to their judgment about the relevant business planning factors relating to the change, we concur with management that such change represents, in the Company's circumstances, the adoption of a preferable accounting principle in conformity with Accounting Principles Board Opinion No. 20.

Very truly yours,

PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania

Exhibit 21-1
Subsidiaries of Exelon Corporation

PECO Energy Company
Commonwealth Edison Company

Exhibit 21-2
Subsidiaries of PECO Energy Company

PECO Energy Transition Trust

Exhibit 21-3
Subsidiaries of Commonwealth Edison Company

ComEd Funding LLC
ComEd Transitional Funding Trust

Exhibit 23-1

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (File Nos. 333-37082 and 333-49780) of Exelon Corporation and Subsidiary Companies of our report dated January 30, 2001, except for Note 21 PETT Refinancing for which the date is March 1, 2001, relating to the financial statements, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated January 30, 2001 relating to the financial statement schedule, which appears in this Form 10-K.

PricewaterhouseCoopers LLP

Chicago, Illinois
April 2, 2001

Exhibit 23-2

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (File Nos. 333-49887, 33-54935, 33-59152) of PECO Energy Company and Subsidiary Companies of our report dated January 30, 2001, except for Note 22 PETT Refinancing for which the date is March 1, 2001, relating to the financial statements and financial statement schedule, which appears in this Form 10-K.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
April 2, 2001

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (File Nos. 33-6879 and 33-51379) and S-8 (No. 333-33847) of Commonwealth Edison Company and Subsidiary Companies of our report dated January 30, 2001 relating to the financial statements and financial statement schedule, which appears in this Form 10-K.

PricewaterhouseCoopers LLP

Chicago, Illinois
April 2, 2001

Exhibit 23-3-2

Consent of Independent Public Accountants

As independent public accountants, we hereby consent to the incorporation by reference of our report in this Form 10-K for the year period ended December 31, 2000, into Commonwealth Edison Company's (the Company) previously filed prospectuses as follows: (1) prospectus dated August 21, 1986, constituting part of Form S-3 Registration Statement File No. 33-6879, as amended (relating to the Company's Debt Securities and Common Stock); (2) prospectus dated January 6, 1997, constituting part of Form S-3 Registration Statement File No. 33-51379 (relating to the Company's Debt Securities and Cumulative Preference Stock); and (3) Form S-8 Registration Statement File No. 333-33847 (relating to the Commonwealth Edison Company Excess Benefit Savings Plan).

Arthur Andersen LLP

Chicago, Illinois
April 2, 2001