SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): November 1, 2002

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 - 37 Floor P.O. Box 805379 Chicago, Illinois 60680-5379 312-394-7398	23-2990190
333-85496	EXELON GENERATION COMPANY, LLC (a Pennsylvania limited liability company) 300 Exelon Way Kennett Square, Pennsylvania 19348 (610) 765-6900	23-3064219

N/A
(Former name or former address, if changed since last report.)

Forward-looking Statements

Except for the historical information contained herein, certain of the matters discussed in this Report are forward-looking statements that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from the forward-looking statements made by a registrant include those discussed herein as well as those listed in Note 8 of Notes to Consolidated Financial Statements, those discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations--Outlook" in Exelon Corporation's 2001 Annual Report, those discussed in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Exelon Generation Company, LLC's Registration Statement on Form S-4, Reg. No. 333-85496, and other factors discussed in filings with the Securities and Exchange Commission by the Exelon Corporation and Exelon Generation Company, LLC. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Report. Exelon Corporation and Exelon Generation Company, LLC do not undertake any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this Report.

Item 2. Acquisition or Disposition of Assets.

As previously disclosed, on November 1, 2002, Exelon Generation Company, LLC ("Exelon Generation") completed its acquisition of Sithe AOG Holding #1, Inc., Sithe AOG Holding #2, Inc., Sithe Power Marketing, LP, and Sithe New England Holdings, LLC (collectively, "Sithe New England"), which consists of three generating facilities under construction and several operating generating facilities, from Sithe Energies, Inc ("Sithe"). The purchase involves approximately 4,446 megawatts (MWs) of generation capacity, consisting of 1,645 MWs in operation, 380 MWs of non-operating facilities, and 2,421 MWs under construction. Sithe New England's generation facilities are located primarily in Massachusetts.

Exelon Generation acquired Sithe New England in exchange for a $534 million note, and the assumption of various Sithe guarantees related to an equity contribution agreement between Sithe New England and Sithe Boston Generating LLC ("Boston Generating"), a project subsidiary of Sithe New England. The equity contribution agreement requires, among other things, that Sithe New England, upon the occurrence of certain events, contribute up to $38 million of equity for the purpose of completing construction of three generating facilities. Also, in order to finance the construction of these two generating facilities, Boston Generating established a $1.25 billion credit facility (the "SBG Facility"). The $1.0 billion outstanding under the facility at December 31, 2002 is reflected on Exelon Generation's Consolidated Balance Sheet.

Item 5. Other Events

On February 13, 2001, Sithe New England Holdings, LLC, through its wholly owned subsidiary, Sithe Boston, entered into the SBG Facility under which up to a total of $1.25 billion will be available to finance the Construction Projects. The SBG Facility is non-recourse to Exelon Generation. The SBG Facility provides that if the Construction Projects are not completed by May 31, 2003, the SBG Facility lenders will have the right, but will not be required, to, among other things, declare all amounts then outstanding under the SBG Facility and the interest rate swap agreements to be due. Exelon Generation believes that the Construction Projects will be substantially complete by May 31, 2003, but that all of the approvals required under the SBG Facility may not be issued by that date. Exelon Generation is currently evaluating whether the requirements of the SBG Facility relating to the Construction Projects can be satisfied by May 31, 2003. In the event that the requirements are not expected to be satisfied by May 31, 2003, Exelon Generation will contact the SBG Facility lenders concerning an amendment or waiver of these provisions of the SBG Facility. Exelon Generation currently expects that arrangements for such an amendment or waiver, if necessary, can be successfully negotiated with the SBG Facility lenders.

Item 7. Financial Statements and Exhibits.

(a) Financial statements of business acquired

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of Sithe Energies, Inc.:

We have audited the accompanying combined balance sheet of Sithe AOG Holding #1, Inc., Sithe AOG Holding #2, Inc., Sithe Power Marketing, LP, and Sithe New England Holdings, LLC (the "Company") as of December 31, 2001, and the related statements of operations, member's and partners' capital, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit provides a reasonable basis for our opinion.

In our opinion, such combined financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2001, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP
New York, New York
December 12, 2002

SITHE AOG HOLDING #1, INC.
SITHE AOG HOLDING #2, INC.
SITHE POWER MARKETING, LP
SITHE NEW ENGLAND HOLDINGS, LLC AND SUBSIDIARIES
COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2001
(In thousands)

Revenue	$ 379,965
Cost of sales	
Fuel	242,876
Operations and maintenance	72,116
Depreciation	8,955
	323,947
Gross profit	56,018
Other operating expenses:	
Amortization of goodwill	375
Unrealized loss on derivatives	6,071
Loss on disposal of assets	882
	7,328
Operating income	48,690
Non-operating income (expense) :	
Interest expense	(245)
Other income, net	3,040
Income before income taxes	51,485
Provision for income taxes	19,339
Net income	$ 32,146

See notes to combined financial statements

SITHE AOG HOLDING # 1, INC.
SITHE AOG HOLDING # 2, INC.
SITHE POWER MARKETING, LP
SITHE NEW ENGLAND HOLDINGS, LLC AND SUBSIDIARIES
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001
(In thousands)

Cash flows from operating activities:	
Net income	$ 32,146
Adjustments to reconcile net income to cash provided by operating activities:	
Depreciation and amortization	9,330
Amortization of debt issuance costs	4,052
Unrealized loss on derivatives	6,071
Loss on disposal of assets	882
Deferred income taxes	(9,274)
Changes in operating assets and liabilities:	
Accounts receivable	30,400
Inventories	(1,204)
Prepaid expenses and other current assets	1,697
Trade payables and other liabilities	(12,376)
Other	(470)
Net cash provided by operating activities	61,254
Cash flows from investing activities:	
Capital expenditures, including capitalized interest	(606,768)
Restricted cash and cash equivalents	(7,000)
Net cash used in investing activities	(613,768)
Cash flows from financing activities:	
Capital contributions	281,933
Equity distributions	(418,373)
Borrowings under construction loan	916,897
Repayments under line of credit	(115,626)
Repayments of interim credit agreement	(75,000)
Deferred financing costs	(22,327)
Payments to affiliates	(15,911)
Net cash provided by financing activities	551,593
Net decrease in cash and cash equivalents	(921)
Cash and cash equivalents at beginning of year	967
Cash and cash equivalents at end of year	$ 46

Supplemental cash flows information
There was no cash paid for taxes or interest (net of amounts capitalized)

See notes to combined financial statements

SITHE AOG HOLDING #1, INC.
SITHE AOG HOLDING #2, INC.
SITHE POWER MARKETING, LP
SITHE NEW ENGLAND HOLDINGS, LLC AND SUBSIDIARIES
COMBINED BALANCE SHEET
DECEMBER 31, 2001
(In thousands)

ASSETS	
Current assets:	
Cash and cash equivalents	$ 46
Restricted cash and cash equivalents	7,000
Accounts receivable	38,171
Current portion of deferred tax asset	1,376
Inventories - oil	12,555
Prepaid expenses and other current assets	1,686
Total current assets	60,834
Property, plant and equipment :	
Land	21,113
Electric generating facilities	227,656
Construction in progress	1,717,443
	1,966,212
Accumulated depreciation	(30,084)
	1,936,128
Other assets:	
Project development costs	100,263
Debt issuance costs and other assets	39,911
Goodwill (net of accumulated amortization of $1,357)	21,226
Non current portion of deferred tax asset	27,309
	188,709
Total assets	$ 2,185,671

See notes to combined financial statements

SITHE AOG HOLDING #1, INC.
SITHE AOG HOLDING #2, INC.
SITHE POWER MARKETING, LP
SITHE NEW ENGLAND HOLDINGS, LLC AND SUBSIDIARIES
COMBINED BALANCE SHEET - Continued
DECEMBER 31, 2001

LIABILITIES AND MEMBER'S CAPITAL	
Current liabilities:	
Trade payables and accrued expenses	$ 41,929
Current portion of derivative liability	9,893
Payable to affiliates	8,775
Total current liabilities	60,597
Long-term debt:	
Construction loan	916,897
Other liabilities:	
Derivative liability	34,255
Deferred income tax liability	6,656
	40,911
Commitments and contingencies	
Capital:	
Member's and partners' capital	1,132,562
Accumulated retained earnings	63,015
Accumulated other comprehensive loss	(28,311)
	1,167,266
Total liabilities and capital	$ 2,185,671

See notes to combined financial statements

SITHE AOG HOLDING #1, INC.
SITHE AOG HOLDING #2, INC.
SITHE POWER MARKETING, LP
SITHE NEW ENGLAND HOLDINGS, LLC AND SUBSIDIAIRES
COMBINED STATEMENT OF MEMBER'S AND PARTNERS' CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2001
(In thousands)

	Member's and Partners' Contributed Capital	Accumulated Retained Earnings	Accumulated Other Comprehensive Loss	Total Capital
Balance January 1, 2001	$ 1,269,002	$ 30,869	$ --	$ 1,299,871
Capital contributions	281,933	--	--	281,933
Capital distributions	(418,373)	--	--	(418,373)
	(136,440)	--	--	(136,440)
Comprehensive Income:				
Net Income	--	32,146	--	32,146
Unrealized loss on cash flow hedges	--	--	(28,311)	(28,311)
Total comprehensive income	--	32,146	(28,311)	3,835
Balance December 31, 2001	$ 1,132,562	$ 63,015	$ (28,311)	$ 1,167,266

See notes to combined financial statements

1. Organization and Nature of Operations

Sithe New England Holdings, LLC ("Sithe New England"), a subsidiary of Sithe Northeast Generating Company, Inc. ("Sithe Northeast"), which is in turn a subsidiary of Sithe Energies, Inc. ("Sithe Energies"), is a Delaware limited liability company. Sithe AOG Holding #1, Inc. and Sithe AOG Holding #2, Inc., also subsidiaries of Sithe Northeast, are the 1% general partner and 99% limited partner, respectively, in Sithe Power Marketing, LP, a Delaware limited partnership. Sithe New England and its subsidiaries, Sithe AOG Holding #1, Inc., Sithe AOG Holding #2, Inc. and Sithe Power Marketing, LP are collectively referred to as the "Company". The Company owns, operates and markets the electrical generation capacity and ancillary services of six electric power plants in New England with an aggregate installed capacity of 2,000 MW that were acquired from Boston Edison on May 15, 1998 and is constructing the 1,600 MW Mystic 8 & 9 and 800 MW Fore River projects (the "Construction Projects"). The Construction Projects will use combined-cycle technology, with the Mystic 8 & 9 project fueled by natural gas and the Fore River Project fueled by both natural gas and low-sulfur distillate oil. The Construction Projects are expected to be completed and enter service in 2003.

Sithe Power Marketing, LP also markets the electrical generation, capacity and ancillary services and procures fuel for four other plants located in New York with an aggregate installed capacity of 285 MW that are owned by Sithe Energies. Effective November 1, 2002, Sithe Power Marketing, LP no longer provides these services to these plants owned by Sithe Energies.

On November 1, 2002, Exelon Generation Company, LLC, a wholly-owned subsidiary of Exelon Corporation, completed the acquisition of the Company from Sithe Northeast and Sithe Energies.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying combined financial statements include the accounts of the Company and all of the subsidiaries and partnerships in which it has a controlling ownership interest. All significant intercompany transactions and balances have been eliminated.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Cash and Cash Equivalents

Cash and cash equivalents, including restricted amounts, include bank deposits, commercial paper and certificates of deposit that mature within three months of their purchase.

Restricted Cash

All cash and cash equivalents generated by the operations of Sithe Boston Generating, LLC ("Sithe Boston") have been pledged as collateral under the Sithe Boston long-term financing facility (the "SBG facility").

Fuel Inventory

Fuel inventory is stated at cost using the average cost method.

Electric and Steam Generating Facilities

Owned electric and steam generating facilities are valued at cost. Depreciation of electric and steam generating facilities is computed using the straight-line method over the shorter of the estimated economic or service lives of the respective assets (ranging from 5 to 30 years).

Goodwill, representing costs in excess of fair value of net assets acquired, is being amortized over 40 years on a straight-line basis. The Company evaluates the carrying amount of long-lived assets, including goodwill, on an annual basis using the recoverability from operating income methodology.

Construction Costs and Capitalized Interest

The Company capitalizes qualifying costs directly related to construction of power plants during the construction phase, including capitalized interest. The total amount of interest costs incurred during 2001 was $54.2 million, of which $54.0 million was capitalized.

Project Development Costs

The Company capitalizes costs directly related to developing new projects when management determines it is probable that the project will proceed to the construction phase. Such determination is based on the facts and circumstances for each project, and reflects the legal, political and regulatory environment where the project is being developed.

Environmental Remediation Expenditures

The Company capitalizes certain environmental remediation expenditures at sites on which it constructs new power plants. The Company accrues for environmental remediation costs related to existing conditions resulting from past operations when the costs are probable and can be reasonably estimated.

Project Impairments

The Company evaluates the operating and financial performance of its long-lived assets for potential impairments in accordance with SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," which prescribes the method for measuring impairment. If an asset is determined to be impaired, the capitalized costs are written down to fair value. No provision for project impairment was required in 2001.

In August 2001, the FASB issued SFAS No. 144, "Accounting for Impairment or Disposal of Long-Lived Assets," (SFAS No. 144). Under SFAS No. 144, long-lived assets to be disposed of should be measured at the lower of the carrying amount or fair value less cost to sell, whether reported in continued operations or in discontinued operations. Discontinued operations will no longer be measured at net realizable value or include amounts for operating losses that have not yet occurred. SFAS No. 144 also broadens the reporting of discontinued operations. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001. Effective January 1, 2002, the Company adopted SFAS No. 144, which did not have a material impact on its financial position or results of operations.

Effective January 1, 2002, the Company began accelerating depreciation expense on its New Boston Station units 1 and 2, with a net book value of $52.7 million, over a five year remaining life as compared to the previous 30 year useful life used from May 16, 1998 through December 31, 2001. The change in useful life was made to reflect the Company's estimate of New Boston Station's remaining useful life in a changing energy market. As of June 30, 2002, the Company recognized an impairment charge of $22.3 million for one-half of the remaining net book value of New Boston Station, and pursuant to an agreement with ISO New England, Inc. ("ISONE"), one unit was taken out of service as of July 1, 2002.

Debt Issuance Costs

Legal fees and other direct costs incurred in connection with obtaining financing are deferred and amortized to interest cost using the interest method over the term of the related debt.

Maintenance and Repairs

Routine maintenance and repairs and major overhaul costs for major equipment are charged to expense as incurred.

Revenue Recognition

Revenue from sales of electricity generated, capacity and ancillary services into the market administered by ISONE are recorded based on market clearing prices. Revenues from the sale of electricity and capacity under bilateral sales contracts are recorded based upon output delivered and capacity provided at the payment rates as specified under contract terms.

Customers accounting for 10% or more of revenue during 2001 were as follows:

ISONE	26.79%

Derivative Instruments

The Company has adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," (SFAS No. 133). SFAS No. 133, as amended and interpreted, establishes accounting and reporting standards requiring that all derivatives, including certain derivative instruments embedded in other contracts be recorded on the balance sheet as either an asset or liability measured at their fair value. When specific hedge accounting criteria are not met, SFAS No. 133 requires that changes in a derivative's fair value be recognized currently in earnings. If a derivative is designated as and qualifies as a fair-value hedge, the changes in the fair value of the derivative and the hedged item will be recognized in earnings. If the derivative is designated as a cash flow hedge, changes in the fair value of the derivative will be recorded in other comprehensive income and will be recognized in the income statement when the hedged item affects earnings. SFAS No. 133 requires that an entity formally document, designate and perform ongoing assessments of the effectiveness of transactions that receive hedge accounting. The impact of the Company's adoption of SFAS No. 133 was not material. Ongoing discussions and interpretations of SFAS No. 133 by the FASB could alter the definition of derivative instruments. The Company has implemented SFAS No. 133 based upon current rules and guidance, and any changes in these rules and guidance could impact the Company's subsequent reported operating results.

The Company enters into various derivative transactions in order to hedge its exposure to certain market risks. As further discussed in Note 5, the Company has outstanding interest rate swap agreements to hedge against interest rate exposure and outstanding commodity derivative instruments to manage its risks related to electric, oil and gas sales and purchases. The company also has outstanding emissions allowance options which are not designated as hedges of an underlying risk.

The change in the fair value of commodity derivatives that qualify as hedges of forecasted or index-based purchases of natural gas and fuel oil are recorded in accumulated other comprehensive income (loss) on the Company's consolidated balance sheets and subsequently recognized in cost of sales as fuel expense in the Company's consolidated statements of income when the underlying hedged transaction settles and the commodity is consumed. If the commodity derivative instrument is no longer sufficiently correlated to the underlying commodity, or if the underlying commodity transaction is terminated or settles earlier than anticipated, the gains or losses previously recorded in accumulated other comprehensive income (loss) are recognized in earnings.

Other New Accounting Pronouncements

In June 2001, the FASB issued SFAS No. 141, "Business Combinations," (SFAS No. 141). SFAS No. 141 was effective July 1, 2001 and requires that all business combinations on or after that date be accounted for under the purchase method. The implementation of this standard had no impact on the Company's financial position or results of operations.

In June 2001, the FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets," (SFAS No. 142), which is effective for fiscal years beginning after December 15, 2001 as to all goodwill and other intangible assets recognized in an entity's statement of financial position at that date, regardless of when those assets were initially recognized. Under SFAS No. 142, goodwill is considered a nonamortizable asset and will be subject to an annual review for impairment and an interim review when required by events or circumstances. At December 31, 2001, the Company had recorded goodwill of approximately $21.2 million, net of accumulated amortization of $1.4 million, which was being amortized over 40 years. Goodwill has been evaluated based on the fair values of the Company's plants. These fair values have been evaluated based on the net present values of the projected future cash flows for the remaining useful lives of the facilities. Future cash flows have been based on internal business plans and trend analyses and the net present values have been computed using the weighted average cost of capital. The implementation of this standard had no impact, other than the discontinuance of goodwill amortization, on the Company's financial position or results of operations. Had the Company adopted SFAS No. 142 in 2001, the Company's net income would have been $32,521 for the year ended December 31, 2001.

Also in June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," (SFAS No. 143). Upon adoption of SFAS No. 143, the fair value of a liability for an asset retirement obligation is required to be recorded. Upon settlement of the liability, an entity either settles the obligation for the recorded amount or incurs a gain or loss upon settlement. SFAS No. 143 is effective for fiscal years beginning after June 15, 2002. The Company is currently evaluating the effect of SFAS No. 143 and has not yet determined the impact, if any, this new standard will have on its financial position or results of operations.

3. Borrowings

On February 13, 2001, the Company, through its wholly-owned subsidiary, Sithe Boston closed the SBG facility under which up to a total of $1.25 billion will be available, including $1.148 billion to pay construction costs of the Construction Projects, $62 million for debt service and other security letters of credit and $40 million for a working capital facility. The existing 1,005 MW Mystic Station and the Construction Projects have been pledged as collateral under the SBG Facility. Upon closing of the SBG Facility, Sithe Boston made an initial drawdown of $536.3 million, of which $102.4 million was used to pay construction costs, $116.6 million was used to fully repay the remaining $115.6 million of recourse project debt outstanding under the Sithe New England Holdings, LLC Senior Secured Credit Facility at December 31, 2000 plus accrued interest through February 13, 2001, and $317.3 million was distributed to Sithe Northeast as a return of capital previously invested by Sithe Energies to fund a portion of the costs of the Construction Projects. The Company made additional borrowings under the SBG Facility to fund construction costs of the Construction Projects totaling $380.6 million. Under the SBG Facility there were $916.9 million of borrowings for construction costs, $39.6 million of letters of credit and no amounts drawn under the working capital facility as of December 31, 2001.

Interest on the SBG Facility is at LIBOR or the Base Rate, plus an applicable margin, at Sithe Boston's option. The Base Rate is the higher of the prime rate announced by the administrative agent or the Federal Funds rate plus 0.5%. Applicable margins under the SBG Facility for LIBOR borrowings and Base Rate borrowings are 1.375% and 0.625%, respectively, through February 13, 2003, increasing to 1.45% and 0.70%, respectively, through February 13, 2005 and increasing to 1.75% and 1.00%, respectively, thereafter. After February 13, 2003, if Sithe Boston does not receive an investment grade rating, the applicable margin will be increased by 0.2% through February 13, 2005 and by 0.25% thereafter. A commitment fee of 0.375% is payable on the unused portion of the SBG Facility. Sithe Boston is required to enter into interest rate swap agreements to effectively fix the interest rate through May 30, 2002 on 70% of the borrowings outstanding under the SBG Facility and thereafter on 50% of such borrowings. As of December 31, 2001, Sithe Boston has entered into five interest rate swap agreements which have effectively fixed the LIBOR component of the interest rate at approximately 5.73% on $758.0 million notional principal or 83% of the borrowings outstanding at December 31, 2001 and 75% of the borrowings forecast to be outstanding under the SBG Facility through June 30, 2004. Commencing July 1, 2004, scheduled reductions in the notional principal amount underlying these interest rate swaps will begin to reduce the effectively fixed LIBOR component portion of borrowings, until such portion reaches 50% at December 31, 2004, where it will remain until the December 31, 2007 final maturity of the SBG Facility.

The SBG Facility provides that if the Construction Projects are not completed by May 31, 2003, the SBG Facility lenders will have the right, but will not be required, to (i) terminate their commitments to make advances or issue letters of credit under the SBG Facility, (ii) declare all amounts then outstanding under the SBG Facility and the interest rate swap agreements to be due, and (iii) require posting of collateral equal to the remaining amount that can be drawn under previously issued letters of credit.

Quarterly principal repayments commence on September 30, 2004, and, excluding the working capital facility, which had no outstanding borrowings at December 31, 2001, aggregate $11.4 million in 2004, $13.0 million in 2005, $16.3 million in 2006 and $1.048 billion thereafter, including a final maturity payment of $1.021 billion on December 31, 2007.

4. Income Taxes

The provision for income taxes included in these combined financial statements was calculated as if the corporate members and each limited liability company ("LLC") for which a written tax sharing agreement exists, within the group of companies included in these combined financial statements, were separate tax paying entities. The provision for income taxes was calculated in accordance with SFAS No. 109, "Accounting for Income Taxes," which requires an asset and liability approach for financial accounting and reporting of income taxes. Under this method, deferred income tax assets and liabilities are recognized for the estimated future income tax effects of temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets are also established for the estimated future benefit of net operating loss and tax credit carryforwards when it is more likely than not that such assets will be realized. Deferred taxes are calculated based on provisions of the enacted tax law, and possible future changes in tax laws or rates are not anticipated. For balance sheet purposes, deferred tax assets and liabilities within certain jurisdictions have been offset based on their classification as current or non-current.

Corporate members of the group of entities whose results are included in these combined financial statements are members of Sithe Energies' consolidated group for income tax purposes. The limited liability companies whose results are also included in these combined financial statements are owned directly or indirectly by Sithe Northeast, who is also a member of Sithe Energies' consolidated group for income tax purposes. Deferred and current portions of the provisions for income taxes are allocated to each corporate member of the group of entities included in the combined financial statements as if each were a separate taxpaying entity. The LLCs included in these combined statements are treated as disregarded entities for federal and state tax purposes, and therefore, their income is generally not taxed on a separate entity basis. Deferred and current portions of the provisions for income taxes are allocated to each LLC within the group of entities included in the combined financial statements only to the extent that a written tax sharing agreement exists which provides for such allocation. The only existing written LLC tax sharing agreement is between Sithe Boston and Sithe Northeast.

Principal Components of Deferred Taxes

The significant components of the net deferred tax liability which reflect the tax effects of the Company's temporary differences, tax credit carryforwards and net operating loss carryforwards are as follows (in thousands):

	2001
Net deferred tax assets - current:	
Mark to market adjustments	$ 1,376
	1,376
Net deferred tax assets - non-current:	
Mark to market adjustments	10,563
Capitalized interest on construction in progress	15,639
State, local & other	1,107
	27,309
Net deferred tax liabilities - non-current:	
Depreciation	6,656
	6,656
Net deferred tax asset	$22,029

Provision for Income Taxes

The provision for income taxes consists of the following (in thousands):

	2001
Current:	
Federal	$ 21,225
State	7,388
	$ 28,613
Deferred:	
Federal	(7,144)
State	(2,130)
	(9,274)
	$ 19,339

The liability for current tax expense of $28,613 is reflected in Payable to affiliates, net on the Company's balance sheet.

The provision for income taxes differs from the amounts computed by applying the Federal statutory rate to income before income taxes, as follows (dollars in thousands):

	2001	
	Amount	%
Amounts computed by applying Federal statutory rate	$ 18,020	35.0%
Current year state income taxes, net of Federal tax benefit	2,640	5.1
Income of LLC's for which no tax sharing agreement exists	(6,509)	(12.6)
Deferred taxes resulting from change due to tax sharing agreement	5,188	10.1
	$ 19,339	37.6%

5. Financial and Derivative Instruments

Financial Instruments and Fair Value

Financial instruments, which potentially subject the Company to concentrations of risk, consist principally of temporary cash investments and trade receivables. The Company invests its temporary cash balances in U.S. government obligations and financial instruments of highly rated financial institutions. A substantial portion of trade receivables are from major regulated electric utilities and power marketers.

The carrying values reflected in the balance sheet at December 31, 2001 approximate fair values for cash and cash equivalents, trade receivables and payables, construction payables and variable-rate long-term debt. In making such assessment, the Company utilized credit reviews, quoted market prices and discounted cash flow analyses as appropriate.

The Company enters into commodity derivatives to mitigate exposure to market fluctuations in the commodity price and transportation cost of natural gas and petroleum products. At December 31, 2001, these commodity derivatives covered periods through December 31, 2002 and the Company had recorded in accumulated other comprehensive loss a net loss on effective hedges of index-based purchases and forecasted transactions of $3.4 million, net of deferred taxes of $1.4 million. The Company estimates that approximately $3.4 million of the amounts recorded in accumulated other comprehensive loss at December 31, 2001 will be amortized to earnings for the year ending December 31, 2002. During 2001, the Company reclassified $1.3 million of losses from accumulated other comprehensive loss into earnings when it became probable that the related original forecasted transactions would not occur. At December 31, 2001, the Company had recorded an unrealized loss on ineffective hedges of index-based purchases and forecasted transactions of $4.3 million included in unrealized loss on derivatives in its combined statement of operations.

The Company's purchased and sold emissions allowance options were not designated by the Company as hedges of an underlying risk. As such, these options were recorded at their fair market value resulting in an unrealized loss of $1.8 million included in unrealized loss on derivatives in the Company's combined statement of operations at December 31, 2001.

Sithe Boston is required to enter into interest rate swap agreements to effectively fix the interest rate through May 30, 2002 on 70% of the borrowings outstanding under the SBG Facility and thereafter on 50% of such borrowings. As of December 31, 2001, Sithe Boston has entered into interest rate swap agreements which have effectively fixed the LIBOR component of the interest rate at approximately 5.73% on $758.0 million of notional principal, or 83% of the borrowings outstanding at December 31, 2001 and 75% of the borrowings forecast to be outstanding under the SBG Facility through June 30, 2004. Commencing July 1, 2004, scheduled reductions in the notional principal amount underlying these interest rate swaps will begin to decrease the portion of the borrowings forecast to be outstanding on which the LIBOR component of the interest rate is effectively fixed at approximately 5.73%, until it reaches 50% at December 31, 2004, where it will remain until the December 31, 2007 final maturity of the SBG Facility. In accordance SFAS No. 133, these interest rate swap agreements qualify and have been designated as cash flow hedges. At December 31, 2001, the fair market value of these cash flow hedges were reflected on the Company's combined balance sheet as liabilities aggregating $25.7 million, with a charge of $14.6 million to other comprehensive loss, net of deferred taxes of $11.1 million. The Company estimates that the amounts that will be reclassified to earnings for the year ending December 31, 2002 from the amounts recorded in accumulated other comprehensive loss at December 31, 2001 will not have a material impact on the Company's financial position or results of operations.

6. Capital

During 2001, Sithe Northeast made capital contributions of $281.9 million to fund costs of the Construction Projects. During the year, the Company made capital distributions to Sithe Northeast totaling $418.4 million of which $317.3 million was distributed upon closing of the SBG facility (See note 3).

7. Commitments and Contingencies

Environmental Remediation

The Company reviews its obligations as it relates to compliance with environmental laws, including site restoration and remediation. Because of the uncertainties associated with environmental assessment and remediation activities, future costs of compliance or remediation could be higher or lower than the amount currently accrued. Based on currently available information, the Company does not believe that any costs incurred in excess of those currently accrued will have a material effect on the financial position or results of operations of the Company.

Litigation and Claims

In March 2001, two subsidiaries of Sithe Boston, Sithe Fore River Development, LLC ("Sithe Fore River") and Sithe Mystic Development LLC ("Sithe Mystic" and, collectively with Sithe Fore River, the "Project Companies"), brought an action in the New York Supreme Court, New York County, (the "New York Action"), against Raytheon Company ("Raytheon") seeking injunctive relief to enforce the terms of Guarantee Agreements (the "Guarantees") issued by Raytheon to Sithe Fore River and Sithe Mystic, respectively, pursuant to which Raytheon guaranteed the punctual and full performance and payment obligations of the turnkey contractor for the Project Companies but which, on March 8, 2001, abandoned the construction work at the Project Companies' respective sites. An agreement was reached between the Project Companies and Raytheon on March 15, 2001, pursuant to which Raytheon agreed to step in pursuant to the Guarantees and to complete construction of the Construction Projects.

The New York Action is still pending. On February 28, 2002, Sithe Fore River by motion sought leave to serve as a Supplemental Complaint therein, which complaint would not supplant the original complaint but sought a declaratory judgment that a change order request submitted by Raytheon to Sithe Fore River under date of January 9, 2002 for cost and schedule impacts allegedly resulting from restrictions on Raytheon's second shift operations at the Fore River project was properly rejected by Sithe Fore River. The change order request sought a 109-day extension of Raytheon's time to complete the Fore River project and claimed $20.1 million of cost relief. On May 3, 2002, Raytheon moved in the New York Action for an order staying the New York Action and compelling Sithe Fore River to arbitrate the dispute concerning the change order in an arbitration before the International Chamber of Commerce Court of Arbitration (the "ICC Court") that Raytheon had commenced on May 2, 2002. After briefing and argument, Justice Charles E. Ramos entered an Order on July 12, 2002, granting both Sithe Fore River's motion to serve its Supplemental Complaint and Raytheon's motion to compel arbitration. On July 30, 2002, Sithe Fore River determined not to appeal the referral of the change order dispute to arbitration and formally submitted to the jurisdiction of the ICC Court for adjudication of this dispute.

The New York Action was not dismissed but has informally been stayed pending the outcome of the ICC Court arbitration. An Arbitral Tribunal consisting of three arbitrators has been appointed and has set a procedural schedule for hearings on the merits of the parties' respective claims and defenses in the first four months of 2003.

The Company believes it properly rejected Raytheon's request for a change order and will vigorously defend its position in the arbitration.

In a dispute before the FERC involving the interconnection of the Mystic 8 and 9 project with the transmission system of Boston Edison, Boston Edison sought to charge the Company for congestion costs that may be incurred by it during temporary line outages to upgrade equipment as part of the interconnection of the Mystic 8 and 9 projects. The Company's position is that it is not responsible for such costs. On October 16, 2001, the parties reached a settlement, which was approved by the FERC on February 27, 2002. Under the terms of this settlement, any upgrade related to congestion costs incurred prior to October 17, 2001 will be allocated to the New England Power Pool (the "NEPOOL") network load consistent with existing NEPOOL rules. From and after October 17, 2001, the first $0.5 million of upgrade related congestion costs shall be allocated to the Company, the next $1.5 million shall be allocated to NEPOOL network load consistent with existing NEPOOL rules and thereafter any upgrade related congestion costs shall be allocated equally between the Company and NEPOOL network load. The Company is recording those congestion costs in accordance with the settlement agreement, which has had no effect on the financial statements as of December 31, 2001.

On December 28, 2001, Sithe New Boston filed a petition before the FERC requesting that the facility be operated under proposed rates between Sithe New Boston and ISONE effective January 1, 2002, subject to refund. The parties reached a settlement which was approved by the FERC on December 20, 2002. All revenues for Sithe New Boston have been recorded in accordance with this settlement agreement.

In a dispute before the FERC regarding NSTAR Electric & Gas Corp.'s ("NSTAR") complaint contesting ISONE's policy for compensating out of merit generators through mitigation agreements, NSTAR has made allegations related to market power issues and has sought refunds for past power sales. The Company has vigorously opposed these allegations. The case has been dismissed by the FERC. NSTAR has petitioned the D.C. Circuit for review of the FERC's dismissal of its complaint and is seeking refunds on past mitigation agreements. Sithe New England has intervened in this proceeding, which is currently pending at the D.C. Circuit.

The Company is a participant in a proceeding before the FERC related to the Company's recovery of a portion of its operating costs for providing energy to ISONE during capacity-constrained periods between July 1, 2001 and December 27, 2001. ISONE potentially may not pay the Company these costs because of its implementation of rules relating to when suppliers will be disqualified from receiving such payments for failing to follow ISONE's precise dispatch instructions. The FERC approved modifications to these rules prospectively which would mitigate or eliminate the problem going forward, but left nearly six months (July 1, 2001 to December 27, 2001) when the Company potentially would be subject to the prior provisions. The FERC rejected a motion to place the new provisions in place retroactively, effective July 1, 2001, and subsequently, on March 15, 2002, denied rehearing. Sithe New England sought review of the Commission's orders in the D.C. Circuit Court of appeals on April 9, 2002. That proceeding is being held in abeyance pending the Commission's consideration of a Complaint that Sithe New England filed on September 23, 2002 seeking relief for the locked in period from July 1, 2001 to December 27, 2001. The Company intends to vigorously pursue these proceedings.

On June 1, 2001, the U.S. Environmental Protection Agency (the "EPA") issued to the Company a Notice of Violation (the "NOV") and Reporting Requirement pursuant to Sections 113 and 114 of the Clean Air Act. The NOV alleges numerous exceedances of opacity limits and violations of opacity-related monitoring, recording and reporting requirements at Mystic Station in Everett, Massachusetts. On January 8, 2002, the EPA indicated that it had decided to resolve the NOV through an administrative compliance order and a judicial civil penalty action. In March 2002, the EPA issued and Sithe Mystic LLC, a wholly-owned subsidiary of the Company, voluntarily entered a Compliance Order and Reporting Requirement (the "Order") regarding Mystic Station. The Order's effective date is March 14, 2002. Under the Order, Mystic Station will install new ignition equipment on three of the four units at the plant. Mystic Station will also undertake an extensive opacity monitoring and testing program for all four units at the plant to help determine if additional compliance measures are needed. The Order requires three of the four units to switch to a lower sulfur fuel oil. The installation of the equipment and the use of a lower sulfur oil was completed by September 1, 2002. The Order does not address civil penalties. The EPA Region I Senior Enforcement Counsel (the "EPA Counsel") has indicated that penalty discussions will likely begin in early 2003. The EPA Counsel also has indicated that the EPA will seek civil penalties of an undisclosed amount to recover the benefit of the alleged noncompliance. To date, the EPA has not provided any other information regarding possible penalties. The Company will determine its response after the EPA makes a formal demand for penalties.

Alternate Power Sources, Inc ("APS") has filed a complaint with the FERC charging that the ISONE failed to properly investigate and mitigate anomalous conduct in the ICAP market and that the ICAP closing prices should be reset to zero for the period between April and July 2000. Sithe New England Holdings has intervened and protested the complaint by APS. On October 11, 2002, the FERC issued an order approving a settlement of this proceeding which resulted in a net payment to Sithe New England Holdings of $5.5 million paid during October 2002. This amount has been recognized into income during the year ended December 31, 2001.

In addition to the legal matters discussed above the Company is a defendant in legal actions arising from activities conducted in the normal course of business. Management, after consultation with legal counsel, believes that the outcome of these matters will not have a material adverse effect on the Company's financial position or results of operations.

Other

The Company has entered into a long-term gas supply agreement for the Mystic 8 & 9 project and a long-term gas transportation agreement for the Fore River project. Aggregate minimum commitments under these agreements are estimated to be $33.1 million in 2002, $101.0 in 2003, $102.2 in 2004, $102.2 in 2005 and $102.2 million in 2006.

The Company has entered into long-term service agreements for maintenance of the gas turbines and generators at the Construction Projects. Upon completion of the Construction Projects, aggregate annual future minimum payments under these agreements are estimated to be approximately $27.0 million for each of the next five years.

On October 1, 2002, a fire at New Boston Station seriously damaged New Boston Station's unit that was in service. The total estimated repairs of the unit are expected to be between $10.0 million and $15.0 million of which $1.6 million has been spent as of December 23, 2002. Sithe New England has returned to service the New Boston Station unit that was previously taken out of service.

The Company believes its insurance policies will be sufficient to provide for recovery of loss due to damages and all incremental costs incurred as a result of the fire.

Leases

The Company leases storage capacity for up to 500,000 barrels of fuel oil under a lease that is cancelable upon 18 months' notice, and office space under a lease that expires in June 2003. Total lease expense was $2.2 million in 2001. Future minimum lease payments under these leases are $2.1 million in 2002 and $1.1 million in 2003.

Employee Benefit Plans

The Company's non-union employees and eligible union employees, as discussed below, participate in a defined contribution 401(k) savings plan sponsored by Sithe Energies. The Company matches employees' contributions up to specified limitations. Company contributions to the plan amounted to approximately $0.2 million in 2001.

In 1998, the Company adopted a defined benefit pension plan for the union employees it hired in connection with the Boston Edison asset acquisition (the "Union Plan"). The Company's funding policy is to fund at least the minimum annual contribution required by the Employee Retirement Income Security Act of 1974.

On October 1, 2000, the Company and the Local 369 of Utility Workers Union of America entered into a new union employee contract through September 30, 2005. This contract grants other retirement benefits to union employees who elect not to or are no longer eligible to receive traditional pension benefit from the Union Plan. These benefits, which became effective January 1, 2001, include participation in the Sithe Energies' 401(k) savings plan with matching employer contributions and participation in the cash balance stable pension account program under the Union Plan. All union employees under the age of 45 or selected for permanent assignments at the Construction Projects plus any other union employees, who voluntarily elect to do so, will receive these benefits.

The following tables present the benefit obligation and the funded status of the Union Plan (in thousands):

Change in Benefit Obligation	
Benefit obligation at beginning of year	$ 1,616
Employer service cost	313
Interest cost	113
Actuarial gain	(364)
Benefits paid	(12)
Benefits obligation at the end of the year	$ 1,666

Change in Plan Assets	
Fair value of plan assets at beginning of year	$ 1,033
Actual return on assets	23
Employer contributions	4
Benefits paid	(12)
Fair value of assets at end of year	$ 1,048
Funded status	$ (618)
Unrecognized transition (asset)/obligation	--
Unrecognized prior service cost	224
Unrecognized net gain	(90)
Accrued benefit cost	$ (484)

Net periodic pension expense amounted to approximately $0.3 million in 2001 and consisted of the following components (in thousands):

Benefit cost for service during the year	$ 313
Interest cost on projected benefit obligation	113
Expected return on plan assets	(85)
Amortization of prior service cost	17
Amortization of unrecognized gain	(4)
Net pension expense	$ 354

The major assumptions used in accounting for the pension plan at December 31, 2001 are as follows:

Discount rate (weighted average)	7.25%
Expected long-term rate of return on plan assets	8.50%
Rate of compensation increase	3.25%

In addition, effective January 1, 2001, all union employees are eligible to participate in the Company's post employment medical saving account program, under which the Company will provide matching contributions based on the employee's contributions and age. During 2001, the Company recognized an expense of $0.1 million for this program.

Effective January 1, 2000, Sithe Energies adopted the Stable Account Plan for its full-time non-union employees. The Stable Account Plan is a cash balance defined benefit plan under which Sithe Energies credits to each participating employee's account a pre-determined percentage of their base salary up to specified limitations. The Company recognized expense during 2001 related to the Stable Account Plan in the amount of $0.6 million.

8. Related Party Transactions

In the ordinary course of business, the Company borrows from or makes advances to affiliates. Any borrowings or advances bear interest at the monthly weighted average interest rates that Sithe New England incurs on its credit facilities and that the Company incurs on the SBG Facility. Outstanding borrowings from Sithe Northeast Generating amounted to approximately $12.3 million at December 31, 2001. Net interest expense to Sithe Northeast Generating amounted to approximately $0.2 million for the year ended December 31, 2001.

During 2001, Sithe Power Marketing, LP acted as agent and sold electrical generation, capacity and ancillary services and procured fuels on behalf of four New York power plants owed by Sithe Energies with an aggregate installed capacity of 285 MW. Sithe Power Marketing, LP received no fee for these services, and the accompanying financial statements do not include any revenues or expenses associated with these transactions. Effective November 1, 2002, Sithe Power Marketing, LP no longer provides these services to these plants owned by Sithe Energies.

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SITHE AOG HOLDING #1, INC.
SITHE AOG HOLDING #2, INC.
SITHE POWER MARKETING, LP
SITHE NEW ENGLAND HOLDINGS, LLC AND SUBSIDIARIES
CONDENSED COMBINED STATEMENTS OF OPERATIONS
(In thousands)

	(Unaudited) Nine Months Ended September 30, 2002	(Unaudited) Nine Months Ended September 30, 2001
Revenue	$ 362,401	$ 290,632
Cost of sales:		
Fuel	254,232	183,582
Operations and maintenance	50,221	56,210
Depreciation	11,478	6,806
	315,931	246,598
Gross profit	46,470	44,034
Other operating (income) expenses:		
Amortization of goodwill	--	281
Unrealized (gain) loss on derivatives	(6,351)	955
Provision for impairment of New Boston	22,279	--
	15,928	1,236
Operating income	30,542	42,798
Non-operating income (expense) :		
Interest income (expense)	56	(48)
Other income, net	2,674	1,895
Income before income taxes	33,272	44,645
Provision for income taxes	15,393	14,856
Net income	$ 17,879	$ 29,789

See notes to condensed combined financial statements

SITHE AOG HOLDING # 1, INC.
SITHE AOG HOLDING # 2, INC.
SITHE POWER MARKETING, LP
SITHE NEW ENGLAND HOLDINGS, LLC AND SUBSIDIARIES
CONDENSED COMBINED STATEMENTS OF CASH FLOWS
(In thousands)

	(Unaudited) 2002	(Unaudited) 2001
	Nine Months Ended September 30,	
Cash flows from operating activities:		
Net income	$ 17,879	$ 29,789
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Depreciation and amortization	11,478	7,087
Amortization of debt issuance costs	5,006	3,060
Unrealized (gain)loss on derivatives	(6,351)	955
Provision for impairment of New Boston	22,279	--
Deferred income taxes	(4,855)	4,636
Changes in operating assets and liabilities:		
Accounts receivable	(2,728)	39,448
Inventories	4,553	(4,312)
Prepaid expenses and other current assets	(501)	(1,457)
Trade payables and other liabilities	7,509	(80,651)
Other	2,269	403
Net cash provided by (used in) operating activities	56,538	(1,042)
Cash flows from investing activities:		
Capital expenditures, including capitalized interest	(125,663)	(456,753)
Restricted cash and cash equivalents	101	(4,858)
Net cash used in investing activities	(125,562)	(461,611)
Cash flows from financing activities:		
Capital contributions	3,795	281,675
Distributions	(70,569)	(418,373)
Borrowings under construction loan	115,903	845,986
Repayments under line of credit	--	(115,626)
Repayments of interim credit agrrement	--	(75,000)
Deferred financing costs	(742)	(22,260)
Advances from (payments to) affiliates	37,404	(21,665)
Net cash provided by financing activities	85,791	474,737
Net increase in cash and cash equivalents	16,767	12,084
Cash and cash equivalents at beginning of period	46	967
Cash and cash equivalents at end of period	$ 16,813	$ 13,051

Supplemental cash flow information
There was no cash paid for taxes or interest (net of amounts capitalized)

See notes to condensed combined financial statements

SITHE AOG HOLDING #1, INC.
SITHE AOG HOLDING #2, INC.
SITHE POWER MARKETING, LP
SITHE NEW ENGLAND HOLDINGS, LLC AND SUBSIDIARIES
CONDENSED COMBINED BALANCE SHEETS
(In thousands)

	September 30, 2002 (unaudited)	December 31, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	$ 16,813	$ 46
Restricted cash and cash equivalents	6,899	7,000
Accounts receivable	48,643	38,171
Current portion of deferred tax asset	--	1,376
Inventories	8,002	12,555
Prepaid expenses and other current assets	2,187	1,686
Total current assets	82,544	60,834
Property, plant and equipment:		
Land	21,113	21,113
Electric generating facilities	203,372	227,656
Construction in progress	1,811,511	1,717,443
	2,035,996	1,966,212
Accumulated depreciation	(35,464)	(30,084)
	2,000,532	1,936,128
Other assets:		
Project development costs	103,758	100,263
Debt issuance costs and other assets	33,873	39,911
Goodwill (net of accumulated amortization of $1,357 and $1,357)	21,226	21,226
Non current portion of deferred tax asset	61,482	27,309
	220,339	188,709
Total assets	$ 2,303,415	$ 2,185,671

See notes to condensed combined financial statements

SITHE AOG HOLDING #1, INC.
SITHE AOG HOLDING #2, INC.
SITHE POWER MARKETING, LP
SITHE NEW ENGLAND HOLDINGS, LLC AND SUBSIDIARIES
CONDENSED COMBINED BALANCE SHEETS
(In thousands)

	September 30, 2002 (unaudited)	December 31, 2001
LIABILITIES AND CAPITAL		
Current liabilities:		
Trade payables and accrued expenses	$ 49,438	$ 41,929
Current portion of derivative liabilities	10,737	9,893
Current portion of deferred tax liability	31	--
Payable to affiliates	46,179	8,775
Total current liabilities	106,385	60,597
Long-term debt:		
Construction loan	1,032,800	916,897
Other liabilities		
Derivative liability	99,959	34,255
Deferred income tax liability	7,978	6,656
	107,937	40,911
Commitments and contingencies		
Capital:		
Member's and partners' capital	1,065,788	1,132,562
Accumulated retained earnings	80,894	63,015
Accumulated other comprehensive loss	(90,389)	(28,311)
	1,056,293	1,167,266
Total liabilities and capital	$ 2,303,415	$ 2,185,671

See notes to condensed combined financial statements

SITHE AOG HOLDING #1, INC.
SITHE AOG HOLDING #2, INC.
SITHE POWER MARKETING, LP
SITHE NEW ENGLAND HOLDINGS, LLC
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS (Unaudited)

1. Organization and Nature of Operations

Sithe New England Holdings, LLC ("Sithe New England"), a subsidiary of Sithe Northeast Generating Company, Inc. ("Sithe Northeast"), which is in turn a subsidiary of Sithe Energies, Inc. ("Sithe Energies"), is a Delaware limited liability company. Sithe AOG Holding #1, Inc. and Sithe AOG Holding #2, Inc., also subsidiaries of Sithe Northeast, are the 1% general partner and 99% limited partner, respectively, in Sithe Power Marketing, LP, a Delaware limited partnership. Sithe New England and its subsidiaries, Sithe AOG Holding #1, Inc., Sithe AOG Holding #2, Inc. and Sithe Power Marketing, LP are collectively referred to as the "Company". The Company owns, operates and markets the electrical generation capacity and ancillary services of six electric power plants in New England with an aggregate installed capacity of 2,000 MW that were acquired from Boston Edison on May 15, 1998 and is constructing the 1,600 MW Mystic 8 & 9 and 800 MW Fore River projects (the "Construction Projects"). The Construction Projects will use combined-cycle technology, with the Mystic 8 & 9 project fueled by natural gas and the Fore River Project fueled by both natural gas and low-sulfur distillate oil. The Construction Projects are expected to be completed and enter service in 2003.

Sithe Power Marketing, LP also markets the electrical generation, capacity and ancillary services and procures fuel for four other plants located in New York with an aggregate installed capacity of 285 MW that are owned by Sithe Energies. Effective November 1, 2002, Sithe Power Marketing, LP no longer provides these services to these plants owned by Sithe Energies.

On November 1, 2002, Exelon Generation Company, LLC, a wholly-owned subsidiary of Exelon Corporation, completed the acquisition of the Company from Sithe Northeast and Sithe Energies.

2. Basis of Presentation

The accompanying condensed combined balance sheets at September 30, 2002 and December 31, 2001 and the condensed combined statements of operations and condensed combined statements of cash flows for the nine months ended September 30, 2002 and 2001 should be read in conjunction with the audited combined financial statements included elsewhere in this Report on Form 8-K.

The results of operations for the nine months ended September 30, 2002 and 2001 are not necessarily indicative of the results to be expected for the full year. The unaudited financial information at September 30, 2002 and for the nine months ended September 30, 2002 and 2001 contains all adjustments, consisting only of normal recurring adjustments, which management considers necessary for a fair presentation of the financial position and operating results for such periods. The December 31, 2001 condensed combined balance sheet was derived from audited financial statements but does not include all disclosures required under accounting principles generally accepted in the United States of America.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

3. Project Impairments

In August 2001, the FASB issued SFAS No. 144, "Accounting for Impairment or Disposal of Long-Lived Assets," (SFAS No. 144). Under SFAS No. 144, long-lived assets to be disposed of should be measured at the lower of the carrying amount or fair value less cost to sell, whether reported in continued operations or in discontinued operations. Discontinued operations will no longer be measured at net realizable value or include amounts for operating losses that have not yet occurred. SFAS No. 144 also broadens the reporting of discontinued operations. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001. Effective January 1, 2002, the Company adopted SFAS No. 144, which did not have a material impact on its financial position or results of operations.

Effective January 1, 2002, the Company began accelerating depreciation expense on its New Boston Station units 1 and 2, with a net book value of $52.7 million, over a five year remaining life as compared to the previous 30 year useful life used from May 16, 1998 through December 31, 2001. The change in useful life was made to reflect the Company's estimate of New Boston Station's remaining useful life in a changing energy market. As of June 30, 2002, the Company recognized an impairment charge of $22.3 million for one-half of the remaining net book value of New Boston Station, and pursuant to an agreement with ISO New England, Inc. ("ISONE"), one unit was taken out of service as of July 1, 2002.

4. New Accounting Pronouncements

In June 2001, the FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets," (SFAS No. 142), which is effective for fiscal years beginning after December 15, 2001 as to all goodwill and other intangible assets recognized in an entity's statement of financial position at that date, regardless of when those assets were initially recognized. Under SFAS No. 142, goodwill is considered a nonamortizable asset and will be subject to an annual review for impairment and an interim review when required by events or circumstances. At December 31, 2001, the Company had recorded goodwill of approximately $21.2 million, net of accumulated amortization of $1.4 million, which was being amortized over 40 years. Goodwill has been evaluated based on the fair values of the Company's plants. These fair values have been evaluated based on the net present values of the projected future cash flows for the remaining useful lives of the facilities. Future cash flows have been based on internal business plans and trend analyses and the net present values have been computed using the weighted average cost of capital. The implementation of this standard had no impact, other than the discontinuance of goodwill amortization, on the Company's financial position or results of operations.

The Company adopted SFAS No. 142 as of January 1, 2002. Had the Company adopted SFAS No. 142 in 2001, the Company's net income would have been $30,070 for the nine months ended September 30, 2001.

Also in June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," (SFAS No. 143). Upon adoption of SFAS No. 143, the fair value of a liability for an asset retirement obligation is required to be recorded. Upon settlement of the liability, an entity either settles the obligation for the recorded amount or incurs a gain or loss upon settlement. SFAS No. 143 is effective for fiscal years beginning after June 15, 2002. The Company is currently evaluating the effect of SFAS No. 143 and has not yet determined the impact, if any, this new standard will have on its financial position or results of operations.

5. Borrowings

On February 13, 2001, the Company, through its wholly-owned subsidiary, Sithe Boston Generating, LLC ("Sithe Boston") closed long-term financing (the "SBG Facility") under which up to a total of $1.25 billion will be available, including $1.148 billion to pay construction costs of the Construction Projects, $62 million for debt service and other security letters of credit and $40 million for a working capital facility. The existing 1,005 MW Mystic Station and the Construction Projects have been pledged as collateral under the SBG facility. For the nine months ended September 30, 2002, the Company borrowed an additional $115.9 million to pay construction costs of the Construction Projects, and incurred $54.1 million of interest costs, all of which was capitalized.

The SBG Facility provides that if the Construction Projects are not completed by May 31, 2003, the SBG Facility lenders will have the right, but will not be required, to (i) terminate their commitments to make advances or issue letters of credit under the SBG Facility, (ii) declare all amounts then outstanding under the SBG Facility and the interest rate swap agreements to be due, and (iii) require posting of collateral equal to the remaining amount that can be drawn under previously issued letters of credit.

6. Commitments and Contingencies

Environmental Remediation

The Company reviews its obligations as it relates to compliance with environmental laws, including site restoration and remediation. Because of the uncertainties associated with environmental assessment and remediation activities, future costs of compliance or remediation could be higher or lower than the amount currently accrued. Based on currently available information, the Company does not believe that any costs incurred in excess of those currently accrued will have a material effect on the financial position or results of operations of the Company.

Litigation and Claims

In March 2001, two subsidiaries of Sithe Boston, Sithe Fore River Development, LLC ("Sithe Fore River") and Sithe Mystic Development LLC ("Sithe Mystic" and, collectively with Sithe Fore River, the "Project Companies"), brought an action in the New York Supreme Court, New York County, (the "New York Action"), against Raytheon Company ("Raytheon") seeking injunctive relief to enforce the terms of Guarantee Agreements (the "Guarantees") issued by Raytheon to Sithe Fore River and Sithe Mystic, respectively, pursuant to which Raytheon guaranteed the punctual and full performance and payment obligations of the turnkey contractor for the Project Companies but which, on March 8, 2001, abandoned the construction work at the Project Companies' respective sites. An agreement was reached between the Project Companies and Raytheon on March 15, 2001, pursuant to which Raytheon agreed to step in pursuant to the Guarantees and to complete construction of the Construction Projects.

The New York Action is still pending. On February 28, 2002, Sithe Fore River by motion sought leave to serve as a Supplemental Complaint therein, which complaint would not supplant the original complaint but sought a declaratory judgment that a change order request submitted by Raytheon to Sithe Fore River under date of January 9, 2002 for cost and schedule impacts allegedly resulting from restrictions on Raytheon's second shift operations at the Fore River project was properly rejected by Sithe Fore River. The change order request sought a 109-day extension of Raytheon's time to complete the Fore River project and claimed $20.1 million of cost relief. On May 3, 2002, Raytheon moved in the New York Action for an order staying the New York Action and compelling Sithe Fore River to arbitrate the dispute concerning the change order in an arbitration before the International Chamber of Commerce Court of Arbitration (the "ICC Court") that Raytheon had commenced on May 2, 2002. After briefing and argument, Justice Charles E. Ramos entered an Order on July 12, 2002, granting both Sithe Fore River's motion to serve its Supplemental Complaint and Raytheon's motion to compel arbitration. On July 30, 2002, Sithe Fore River determined not to appeal the referral of the change order dispute to arbitration and formally submitted to the jurisdiction of the ICC Court for adjudication of this dispute.

The New York Action was not dismissed but has informally been stayed pending the outcome of the ICC Court arbitration. The arbitration has proceeded to the extent that an Arbitral Tribunal consisting of three arbitrators has been appointed and has set a procedural schedule for hearings on the merits of the parties' respective claims and defenses in the first four months of 2003.

The Company believes it properly rejected Raytheon's request for a change order and will vigorously defend its position in the arbitration.

In a dispute before the FERC involving the interconnection of the Mystic 8 and 9 project with the transmission system of Boston Edison, Boston Edison sought to charge the Company for congestion costs that may be incurred by it during temporary line outages to upgrade equipment as part of the interconnection of the Mystic 8 and 9 projects. The Company's position is that it is not responsible for such costs. On October 16, 2001, the parties reached a settlement, which was approved by the FERC on February 27, 2002. Under the terms of this settlement, any upgrade related to congestion costs incurred prior to October 17, 2001 will be allocated to the New England Power Pool (the "NEPOOL") network load consistent with existing NEPOOL rules. From and after October 17, 2001, the first $0.5 million of upgrade related congestion costs shall be allocated to the Company, the next $1.5 million shall be allocated to NEPOOL network load consistent with existing NEPOOL rules and thereafter any upgrade related congestion costs shall be allocated equally between the Company and NEPOOL network load. The company is recording those congestion costs in accordance with the settlement agreement.

On December 28, 2001, Sithe New Boston filed a petition before the FERC requesting that the facility be operated under proposed rates between Sithe New Boston and ISONE effective January 1, 2002, subject to refund. The parties reached a settlement which was approved by the FERC on December 20, 2002. All revenues for Sithe New Boston have been recorded in accordance with this settlement agreement.

In a dispute before the FERC regarding NSTAR Electric & Gas Corp.'s ("NSTAR") complaint contesting ISONE's policy for compensating out of merit generators through mitigation agreements, NSTAR has made allegations related to market power issues and has sought refunds for past power sales. The Company has vigorously opposed these allegations. The case has been dismissed by the FERC. NSTAR has petitioned the D.C. Circuit for review of the FERC's dismissal of its complaint and is seeking refunds on past mitigation agreements. Sithe New England has intervened in this proceeding, which is currently pending at the D.C. Circuit.

The Company is a participant in a proceeding before the FERC related to the Company's recovery of a portion of its operating costs for providing energy to ISONE during capacity-constrained periods between July 1, 2001 and December 27, 2001. ISONE potentially may not pay the Company these costs because of its implementation of rules relating to when suppliers will be disqualified from receiving such payments for failing to follow ISONE's precise dispatch instructions. The FERC approved modifications to these rules prospectively which would mitigate or eliminate the problem going forward, but left nearly six months (July 1, 2001 to December 27, 2001) when the Company potentially would be subject to the prior provisions. The FERC rejected a motion to place the new provisions in place retroactively, effective July 1, 2001, and subsequently, on March 15, 2002, denied rehearing. Sithe New England sought review of the Commission's orders in the D.C. Circuit Court of appeals on April 9, 2002. That proceeding is being held in abeyance pending the Commission's consideration of a Complaint that Sithe New England filed on September 23, 2002 seeking relief for the locked in period from July 1, 2001 to December 27, 2001. The Company intends to vigorously pursue these proceedings.

On June 1, 2001, the U.S. Environmental Protection Agency (the "EPA") issued to the Company a Notice of Violation (the "NOV") and Reporting Requirement pursuant to Sections 113 and 114 of the Clean Air Act. The NOV alleges numerous exceedances of opacity limits and violations of opacity-related monitoring, recording and reporting requirements at Mystic Station in Everett, Massachusetts. On January 8, 2002, the EPA indicated that it had decided to resolve the NOV through an administrative compliance order and a judicial civil penalty action. In March 2002, the EPA issued and Sithe Mystic LLC, a wholly-owned subsidiary of the Company, voluntarily entered a Compliance Order and Reporting Requirement (the "Order") regarding Mystic Station. The Order's effective date is March 14, 2002. Under the Order, Mystic Station will install new ignition equipment on three of the four units at the plant. Mystic Station will also undertake an extensive opacity monitoring and testing program for all four units at the plant to help determine if additional compliance measures are needed. The Order requires three of the four units to switch to a lower sulfur fuel oil. The installation of the equipment and the use of a lower sulfur oil was completed by September 1, 2002. The Order does not address civil penalties. The EPA Region I Senior Enforcement Counsel (the "EPA Counsel") has indicated that penalty discussions will likely begin in early 2003. The EPA Counsel also has indicated that the EPA will seek civil penalties of an undisclosed amount to recover the benefit of the alleged noncompliance. To date, the EPA has not provided any other information regarding possible penalties. The Company will determine its response after the EPA makes a formal demand for penalties.

Alternate Power Sources, Inc. ("APS") has filed a complaint with the FERC charging that the ISONE failed to properly investigate and mitigate anomalous conduct in the ICAP market and that the ICAP closing prices should be reset to zero for the period between April and July 2000. Sithe New England Holdings has intervened and protested the complaint by APS. On October 11, 2002, the FERC issued an order approving a settlement of this proceeding which resulted in a net payment to Sithe New England Holdings of $5.5 million paid during October 2002. This amount was recognized into income during the year ended December 31, 2001.

In addition to the legal matters discussed above the Company is a defendant in legal actions arising from activities conducted in the normal course of business. Management, after consultation with legal counsel, believes that the outcome of these matters will not have a material adverse effect on the Company's financial position or results of operations.

Other

On October 1, 2002, a fire at New Boston Station seriously damaged New Boston Station's unit that was in service. The total estimated repairs of the unit are expected to be between $10.0 million and $15.0 million of which $1.6 million has been spent as of December 23, 2002. Sithe New England has returned to service the New Boston Station unit that was previously taken out of service. The Company believes its insurance policies will be sufficient to provide for recovery of loss due to damages and all incremental costs incurred as a result of the fire.

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(b) Pro forma financial information

UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS

Pursuant to SEC regulations, the pro forma financial statements for Exelon Generation are included below. Under SEC regulations, pro forma financial statements are not required for Exelon Corporation.

The following unaudited pro forma combined condensed financial statements have been prepared to reflect the acquisition of the assets of Sithe New England by Exelon Generation under the purchase method of accounting. Under the purchase method of accounting, tangible and identifiable intangible assets acquired and liabilities assumed are recorded at their fair values. The unaudited pro forma combined condensed financial statements reflect the estimated fair values of the assets acquired and liabilities assumed. Such estimates are subject to final valuation adjustments.

The following unaudited pro forma financial statements do not give effect to the estimated cost savings and revenue enhancements. The pro forma adjustments are reflected in the unaudited combined condensed pro forma balance sheet as if the acquisition occurred on September 30, 2002. The unaudited pro forma combined condensed statements of income for the nine months ended September 30, 2002 and the year ended December 31, 2001 assume the acquisition was completed on January 1, 2001.

The following unaudited pro forma combined condensed financial statements are for illustrative purposes only. They are not necessarily indicative of the financial position or operating results that would have occurred had these transactions been completed on January 1, 2001 or September 30, 2002, as assumed above; nor is the information necessarily indicative of future financial position or operating results.

Unaudited Pro Forma Combined Condensed Statement of Income
For the year ended December 31, 2001

(in millions)	Exelon Generation as filed	Sithe New England Historical	Pro Forma Adjustments		Exelon Generation Pro Forma
OPERATING REVENUES	$ 7,048	$ 380	$ (3)	(l)	$ 7,425
OPERATING EXPENSES					
Fuel and Purchased Power	4,218	243	(3)	(l)	4,458
Operating and Maintenance	1,527	72			1,599
Depreciation and Amortization	282	9	(4)	(o)	287
Taxes Other Than Income	149				149
Total Operating Expense	6,176	324	(7)		6,493
OPERATING INCOME	872	56	4		932
OTHER INCOME AND DEDUCTIONS					
Interest Expense	(115)	3	(14)	(a)	(126)
Equity in Earnings of Unconsolidated Affiliates	90		(16)	(k)	74
Other, net	(8)	(8)			(16)
Total Other Income and Deductions	(33)	(5)	(30)		(68)
INCOME BEFORE INCOME TAXES	839	51	(26)		864
INCOME TAXES	327	19	(11)	(p)	335
INCOME FROM CONTINUING OPERATIONS	$ 512	$ 32	$ (15)		$ 529

Unaudited Pro Forma Combined Condensed Statement of Income
For the nine month period ended September 30, 2002

(in millions)	Exelon Generation as filed	Sithe New England Historical	Pro Forma Adjustments		Exelon Generation Pro Forma
OPERATING REVENUES	$ 5,233	$ 362	$ (10)	(l)	$ 5,585
OPERATING EXPENSES					
Fuel and Purchased Power	3,287	248	(10)	(l)	3,525
Operating and Maintenance	1,234	50			1,284
Depreciation and Amortization	197	11	(8)	(o)	200
Taxes Other Than Income	126				126
Total Operating Expense	4,844	309	(18)		5,135
OPERATING INCOME	389	53	8		450
OTHER INCOME AND DEDUCTIONS					
Interest Expense	(51)		(10)	(a)	(61)
Equity in Earnings of Unconsolidated Affiliates	119		(9)	(k)	110
Other, net	54	(20)			34
Total Other Income and Deductions	122	(20)	(19)		83
INCOME BEFORE INCOME TAXES	511	33	(11)		533
INCOME TAXES	198	15	(5)	(p)	208
INCOME FROM CONTINUING OPERATIONS	$ 313	$ 18	$ (6)		$ 325

Unaudited Pro Forma Combined Condensed Balance Sheet
As of September 30, 2002

(in millions)	Exelon Generation as filed	Sithe New England Historical	Pro Forma Adjustments	Exelon Generation Pro Forma Balance
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$ 39	$ 17		$ 56
Restricted cash		7		7
Accounts Receivable, net	506	49		555
Receivables from Affiliates	783			783
Inventories, at average cost	329	8		337
Deferred Income Taxes	7			7
Other	113	2	$ 20 (c,f)	135
Total Current Assets	1,777	83	20	1,880
PROPERTY, PLANT AND EQUIPMENT, NET	2,796	2,000	(54)(i)	4,742
DEFERRED DEBITS AND OTHER ASSETS				
Nuclear Decommissioning Trust Funds	2,997			2,997
Investments	922		(284)(j)	638
Note Receivable from Affiliate	246			246
Deferred Income Taxes	340	61	38 (m)	439
Other	202	159	(86)(e,g,h)	275
Total Deferred Debits and Other Assets	4,707	220	(332)	4,595
TOTAL ASSETS	$ 9,280	$ 2,303	$ (366)	$11,217

Unaudited Pro Forma Combined Condensed Balance Sheet
As of September 30, 2002

(in millions)	Exelon Generation as filed	Sithe New England Historical	Pro Forma Adjustments	Exelon Generation Pro Forma Balance
LIABILITIES AND MEMBER'S EQUITY				
CURRENT LIABILITIES				
Long-Term Debt Due within One Year	$ 6			$ 6
Accounts Payable and accrued expenses	1,149	49		1,198
Payables to Affiliates	33	46		79
Note Payable to Affiliate	348		$ 534 (a)	882
Other	194	11	29 (c)	234
Total Current Liabilities	1,730	106	563	2,399
LONG-TERM DEBT	1,096	1,033		2,129
DEFERRED CREDITS AND OTHER LIABILITIES				
Deferred Income Taxes	247	8	108 (m)	363
Unamortized Investment Tax Credits	228			228
Nuclear Decommissioning Liability for Retired Plants	1,389			1,389
Pension Obligation	100			100
Non-Pension Postretirement Benefits Obligation	404			404
Spent Nuclear Fuel Obligation	854			854
Other	324	100	5 (d)	429
Total Deferred Credits and Other Liabilities	3,546	108	113	3,767
MINORITY INTEREST OF CONSOLIDATED SUBSIDIARY	55			55
COMMITMENTS AND CONTINGENCIES				
MEMBER'S EQUITY				
Membership Interest	2,286	1,065	(1,051)(b,n)	2,300
Undistributed Earnings	850	81	(81)(n)	850
Accumulated Other Comprehensive Income (Loss)	(283)	(90)	90 (n)	(283)
Total Member's Equity	2,853	1,056	(1,042)	2,867
TOTAL LIABILITIES AND MEMBER'S EQUITY	$ 9,280	$ 2,303	$ (366)	$ 11,217

Notes to unaudited Pro Forma Combined Condensed Financial Statements

The fair value of the assets and liabilities acquired and the purchase price is comprised of the following components:

	(in millions)
Fair value of assets and liabilities acquired	
Property, plant, and equipment	$ 1,946
Net current liabilities	(32)
Net non-current liabilities	(48)
	$ 1,866
Purchase price	
Note payable	$ 534
Transaction costs	14
Liabilities associated with the transaction	1,133
Excess basis	185 (j)
	$ 1,866

(a) To reflect the acquisition financing for the issuance of a $534 million note payable due June 18, 2003 to Sithe Northeast Generating Company, Inc., a wholly-owned subsidiary of Sithe. The interest on the note payable is based on a variable rate, which approximates 2.6% at acquisition date. Pro forma interest expense of $14 million and $10 million has been included in the pro forma income statements for the year ended December 31, 2001 and for the nine months ended September 30, 2002, respectively.

(b) To record direct costs of the asset acquisition, including fees of financial advisors, legal counsel and independent auditors estimated to be $14 million.

(c) To reflect adjustments in assets of approximately $8 million and liabilities of $29 million associated with certain contractual liquidated damages receivable and payable in connection with construction delays at two sites. The construction at these sites is expected to be completed during the second quarter of 2003.

(d) To reflect estimated liabilities of $5 million associated with certain environmental remediation activities based on a different remediation program utilized by Exelon.

(e) To eliminate other long term assets of $47 million associated with Sithe New England's previously deferred debt issuance costs and acquired goodwill.

(f) To reflect $12 million of fair value associated with energy derivative contracts that will be utilized for hedging purposes that were previously treated as normal purchases and sales by Sithe New England.

(g) To reflect an increase in the carrying value of emission allowances of $23 million based on current market valuations.

(h) To reflect an adjustment of $62 million to the carrying value of certain equipment based on the fair value of this equipment as of the acquisition date.

(i) To reflect an adjustment to recognize the fair value of existing electric facilities and construction in progress at the acquisition date.

(j) To reclassify from the investment in Sithe Energies, Inc. balance to the Sithe New England asset balance the difference between the original basis in the underlying Sithe New England assets and the price paid for the remaining Sithe New England assets.

(k) To reflect the reduction in equity earnings from affiliates for Generation's Sithe equity interest to exclude Generation's share of earnings from Sithe New England.

(l) To eliminate the effect of intercompany energy market transactions between Generation and Sithe New England. During 2001, Generation recorded power sales of $1 million to Sithe New England and purchased power totaling $2 million from Sithe New England. For the nine months ended September 30, 2002, Generation recorded sales of $2 million to Sithe New England and purchased power totaling $8 million from Sithe New England.

(m) To record $70 million of net deferred taxes associated with the excess of tax basis over the book basis of Generation's original investment in Sithe related to the underlying Sithe New England assets and the elimination of Sithe New England's historical deferred taxes.

(n) To reflect the elimination of Sithe New England's historical equity balances.

(o) To reflect the change in depreciation expense related to the fair value adjustment to plant acquired in the transaction and Exelon Generation's change to the accounting useful life of generating plants.

(p) To reflect the estimated tax effect of the pro forma adjustments made in the Unaudited Pro Forma Combined Condensed Statement of Income at the combined statutory federal and state tax rate.

SIGNATURE

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

EXELON CORPORATION
EXELON GENERATION COMPANY L.L.C.

By /s/ Robert S. Shapard

Robert S. Shapard
Executive Vice President and Chief Financial Officer
Exelon Corporation

January 15, 2003